

DAILY REPORT

China

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BANK OF CHINA EXPLORES EXPANSION, DIVERSIFICATION

OW192143 Beijing XINHUA in English 1918 GMT 19 Oct 84

[Text] Beijing, October 19 (XINHUA) -- The Bank of China will establish a banking group to help expand and diversify its business, according to Chang Yanqing, vice-chairman of the bank's Board of Directors here today. He told the fourth International Management Symposium that the group would be set up by "amassing the property of other enterprises" under a plan already approved by the State Council. He did not specify what other organizations would participate.

The banking group will "cooperate with foreign banks in making joint investment and extending loans and export credits," Chang said. "In a word, we'll engage in banking businesses whatever it is and wherever it is possible," he said.

FOREIGN EXPERTS TO ADDRESS IMPORT-EXPORT SEMINAR

OW221904 Beijing XINHUA in English 1455 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- A seminar on import and export trade administration in foreign countries, the first of its kind held in China, opened here today. The seminar is sponsored by the Ministry of Foreign Economic Relations and Trade. Eight experts from Brazil, Britain, Japan and Hungary have been invited to lecture.

Addressing the opening session, Vice-Minister of Foreign Economic Relations and Trade Jia Shi said the aim of the study session is to learn more about how foreign firms and trade departments administer their import and export business. The seminar will run till November 2.

Attending the seminar are 260 representatives from ministries and commissions of the State Council; national foreign trade corporations; and provincial, regional and municipal foreign trade departments.

FOREIGN PLANT GENETICISTS WELCOMED TO CONFERENCE

Fang Yi Meeting

OW221830 Beijing XINHUA in English 1629 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Fang Yi, member of the Political Bureau of the Chinese Communist Party Central Committee, met here this evening foreign and Chinese scientists attending the International Symposium on Genetic Manipulation in Crop Plants. Fang Yi, a State Councilor, spoke cordially with them. Present were President Zhou Peiyuan of the China Association for Science and Technology and Director General M.S. Swaminathan of the International Rice Research Institute. The China Association for Science and Technology this evening gave a reception in honor of the 350 scientists attending the symposium.

PRC Advances Discussed

OW221430 Beijing XINHUA in English 1238 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Professor Hu Han, director of the Genetics Institute of the Chinese Academy of Sciences, said that China's research in breeding new rice and wheat strains through haploidy anther culture (haploidy) has been up to the world advanced level.

He made the remarks at an international symposium on genetic manipulation in crops opened here today.

Hu, who is also chairman of the symposium, reported that in the past ten years and more Chinese scientists have developed over a dozen rice strains through anther culture which are resistant to alkalinity and diseases. They are sown to an area of 170,000 hectares and yield 10 percent more than the conventional strains. More than 20 wheat strains have been developed through anther culture in recent years and some are now applied to an area of 70,000 hectares. Haploid culture has been applied to the breeding of flowers, fruit trees, vegetables, and medicinal plants, resulting in greater economic benefits.

By using cell and tissue culture, China has successfully developed poplar and paulownia, which are difficult to survive by cutting, green and ink-colored chrysanthemums, seedless watermelons, and pineapple, hawthorn and apple trees. In addition, tissue culture has also helped Chinese redwood and dawn redwood, known as "living fossils" to propagate.

The international symposium is jointly sponsored by the China Association for Science and Technology, the China Society of Genetics, the Genetics Institute, the Chinese Academy of Agricultural Sciences and the International Rice Research Institute. More than 350 scientists from 25 countries, including the United States, Japan, the Philippines, France, India and China are taking part. They will read 350 papers at the five-day meeting, which covers haploid, mutation, mutagenesis, somaclonal variation, somatic morphogenesis, protoplasts and molecular biology of plants. The participants will also discuss matters related to plant somatic cell genetics and genetic engineering. The meeting is financially supported by 32 foreign organizations including the UNESCO.

WEN HUI BAO REPORTS ON UN ASSEMBLY DEBATES

OW190032 Shanghai WEN HUI BAO in Chinese 13 Oct 84 p 2

["Special Dispatch" from WEN HUI BAO's UN-based reporter Zhang Zhiping on 12 October: "Stage for Multilateral Diplomacy -- Sidelights on UN General Assembly Debates" -- WEN HUI BAO headline]

[Text] Since the opening of the 39th UN General Assembly session on 18 September, the representative of 142 nations took the floor one after another in the solemn General Assembly hall during the three weeks of general debates. Most of the representatives presented their views vehemently, urging the two superpowers to stop the arms race as soon as possible and relax the tense situation in the world through actual deeds of nuclear disarmament. Many representatives of Third World nations demanded that developed countries adopt a positive and sensible attitude in dealing with talks on a global scale, strengthen international economic cooperation, and give full play to the role of the United Nations.

Among the 144 topics to be discussed in the current UN session, many of them are regarded as longstanding, big, and difficult" problems such as disarmament, global talks, the clash between Israel and the Arab nations, and the war between Iran and Iraq. In their speeches, the representatives of various countries admitted the significance of these problems; however, they pinned little hope on solving them. In spite of all this, the UN General Assembly and the various UN committees had more items than they could handle on their agendas. The representatives of various countries also carried out bustling activities inside and outside the assembly hall.

The speech delivered by U.S. President Reagan during the general debates at the current UN General Assembly session attracted a great deal of attention. The words in his speech were carefully chosen with a mild tone. From beginning to end, the speech contained nothing that criticized the Soviet Union. Why did Reagan, who is known for being tough with the Soviet Union, become so mild? People in press circles here believe that his attitude had something to do with his intention to win more votes in this general election year.

However, the speech delivered by Soviet Foreign Minister Gromyko at the current UN General Assembly session represented another style. On the one hand, he condemned Reagan's speech at the UN General Assembly session as a fraud and propaganda drive for peace aimed at maintaining U.S. military predominance, while on the other hand, he showed the Soviet willingness to keep normal relations with the United States. Gromyko arrived in Washington to hold face-to-face talks with Reagan by invitation. Although no agreement was reached, both sides agreed to continue to "maintain contacts." This has somewhat relaxed the tense relations between the United States and the Soviet Union in recent years. The UN General Assembly session, held once a year, provides the diplomats of various countries a fine place to hold bilateral or multilateral meetings. When Chinese Foreign Minister Wu Xueqian stayed in New York for a short period, he met the government leaders or foreign ministers of more than 20 countries one after another, including U.S. Secretary of State Shultz and Soviet Foreign Minister Gromyko.

The two meetings between Wu Xueqian and Gromyko here aroused attention from all quarters because they represented the first round of official meetings between the Chinese and Soviet foreign ministers in the past 20-odd years. At a reception held by the Asia Society in his honor on the evening of 24 September, Wu Xueqian emphasized the meetings and pointed out: "So far as China is concerned, we sincerely hope that these meetings will be conducive to enhancing relations between China and the Soviet Union." He said: During the talks, which lasted as long as six hours, nearly all the major international issues were discussed, including the issue of how to improve relations between our two countries. Both sides fully elucidated their own stands and views. Both sides had similar views on certain regional issues. However, both sides still had considerably vast differences in analyzing the current international situation and on how to solve the major international problems. During the talks, both sides expressed willingness to improve relations. China hopes that the Soviet Union can take action to remove the stumbling blocks in the relations between the two countries. Wu Xueqian said: It looks like holding talks is better than not talking at all.

Right now, more and more nations have come to realize that the only effective way to avert conflicts between two sides and settle international disputes is through dialogue and negotiations instead of confrontation and the use of force. This is a phenomenon which merits attention in the international life of our time.

UN AID IMPROVING BEIJING'S DAIRY SUPPLIES

OW230851 Beijing XINHUA in English 0821 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- Beijing now produces 70,000 liters of milk daily, almost one-quarter of the city's daily milk supply, with de-fatted milk powder and dehydrated butter received under a U.N. aid plan. This was revealed by Li Yifang, director of a dairy products development program for six major Chinese cities, to World Food Program (WFP) representatives in Beijing and embassy officials of 13 aid-providing nations who visited the city's dairy development projects October 19 and 20. He noted that the WFP shipped to Beijing more than 1,470 tons of de-fatted milk powder and another 500 tons of dehydrated butter as part of its aid to help ease the milk shortage in Beijing and five other major cities. To implement the aid program, the Beijing authorities have so far allocated 62.74 million yuan (about 24.1 million U.S. dollars) for building a dairy, two processing plants, seven milk collecting and nine retail centers, and other facilities.

At present, the city has about 1,000 milk delivery stations and 32 milk retail outlets that sell some 300,000 liters of milk daily, a 50-percent rise over the figure for 1982. With improved milk supply in the city, about 50,000 pupils in 130 primary schools are now provided with milk during breaks. Beijing now has more than 36,000 state-owned milk cows and 10,000 collectively owned cows. Another 2,000 are being raised by individual peasants.

RENMIN RIBAO LAUDS EAST-WEST EUROPEAN DIALOGUE

HK220417 Beijing RENMIN RIBAO in Chinese 20 Oct 84 p 7

["World Affairs" Column by Ding Wei: "A Pure and Fresh Breeze in Europe"]

[Text] Recently, the leaders of some East and West European countries exchanged visits and held talks on international issues of common concern and on bilateral relations. As a phenomenon unprecedented in Europe since the emergence of the confrontation between the two major military blocs, this development is influencing the continent like a pure and fresh breeze.

Such a trend indicates the European people's demand for relaxation of the tense situation and their longing for peace and economic development in a peaceful environment. The two superpowers have rushed to deploy nuclear weapons in Europe one after the other and have taken turns accelerating the nuclear arms race, thus creating more and more serious tension in Europe and presenting a grave threat of war to the European people. The European people, who have suffered catastrophe and misery arising from two world wars, have a pressing desire for peace. Opposition to the arms race and war and safeguarding peace are the issues of utmost concern for the governments and peoples of many European countries in face of today's grave situation. The recent contacts and talks between the state leaders of East and West European countries have been an expression of the European people's common will.

The relaxation of tension first calls for mutual understanding, and mutual understanding in its turn calls for dialogue between countries. The dialogues between the East and West European countries have shown that they have a common desire for detente and peace and a common hatred of tension and war despite their different social systems and different opinions on certain international problems. With this point in common, they can carry on dialogue and enhance mutual understanding based on the principle of seeking common ground while reserving differences. Through cooperation and improvement of relations, they can change step by step the current state of confrontation in Europe and contribute to the easing of tensions.

A gentle breeze is blowing in Europe. We hope that this breeze will continue to blow until the dark clouds looming large over Europe disperse in order that more people in Europe can bathe in the sunshine of peace and breathe a breath of fresh air.

HUANG HUA MEETS WORLD COUNCIL OF CHURCHES LEADERS

LD191749 Beijing XINHUA in English 1614 GMT 19 Oct 84

[Text] Beijing, October 19 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of the National People's Congress, met Philip Potter, general secretary of the World Council of Churches, and his assistant Ninan Koshy at the Great Hall of the People here today. Potter arrived in Beijing on October 16 at the invitation of Rev. Ding Guangxun, chairman of the Three-Self Patriotic Committee of the Protestant Churches of China and president of the Christian Association of China. Dr. Guangxun and Ren Wuzhi, acting director of the Bureau of Religious Affairs under the State Council, attended the meeting.

MOVEMENT IN REAGAN'S USSR POSITION SEEN IN DEBATE

OW221212 Beijing XINHUA in English 1150 GMT 22 Oct 84

["Reagan, Mondale Held Second Debate, (by Shi Lujia)" -- XINHUA headline]

[Text] Washington, October 21 (XINHUA) -- U.S. President Ronald Reagan and Democratic presidential nominee Walter Mondale focused on U.S. defense and foreign policy issues during their second and last TV debate of the campaign tonight in Kansas City, Missouri.

Arms control, U.S.-Soviet relations, U.S. policy towards Central America and the bombing of U.S. facilities in Lebanon were the main topics of the debate, which lasted 90 minutes.

Mondale, hoping to keep through the campaign the momentum he gained from his first TV debate with Reagan two weeks ago, appeared to be more aggressive, forcing the incumbent president on the defensive on major foreign policy issues. He took pains to show himself as a peace fighter on one hand, while, on the other hand, repeatedly pledging his commitment to keep the United States "strong", in an apparent effort to win conservative American voters.

Reagan, while trying to remind American TV viewers of Mondale's links with the former Carter administration, which he said pursued a "policy of weakness", defended his administration's "peace through strength" strategy, which he said had made the United States strong again. At the same time, he showed a slight shift from his previous positions on a number of controversial U.S. foreign policy issues, particularly arms control and U.S.-Soviet relations. The shift was regarded by observers here as a gesture for improving his image as a inflexible or "war-like" president, as his critics put it.

Accusing Reagan of making "no progress in arms control" and engaging the United States in a "dangerous arms race" with the Soviet Union, Mondale reiterated his proposal for "a mutual and verifiable freeze on weapon systems" through tough negotiations with Soviets, adding, however, that "there will be no unilateral disarmament under my administration".

Defending his own position on arms control, Reagan said that since Soviets are engaged in the biggest arms buildup "in the history of man", the United States must "put up a defense of our own" to deter the Soviet Union. He denied that his administration is seeking military superiority and blamed the Soviet Union for the break-off in the arms control talks.

On U.S.-Soviet relations, Mondale renewed his call for annual summit meetings between the two countries, although he said that he does not trust the Soviet Union. Reagan, on his part, said that he would "retract nothing" that he said in the past about the Soviet Union. However, he stressed that the United States "must be realistic in dealing with Soviets. [quotation marks as received]

Both Republicans and Democrats place high stakes on tonight's debate, hoping that a strong and effective performance by their candidates would have some positive impact on the outcome of the election with only two weeks to campaign. Observers here held that President Reagan conducted a better performance in today's debate than he did in the first, but political analysts rated the debate a virtual stand-off and said so far it is hard to say who is the clear-cut winner.

REAGAN TO DISMISS THOSE INVOLVED WITH CIA MANUAL

OW222014 Beijing XINHUA in English 1918 GMT 22 Oct 84

[Text] Washington, October 22 (XINHUA) — U.S. President Ronald Reagan, for several days under heavy fire, has promised to dismiss any U.S. official found to have developed or approved CIA's manual advising Nicaraguan rebels to commit political assassination.

On ABC's program "This Week With David Brinkley" yesterday, Robert McFarlane, special assistant to the president for national security affairs, said that Reagan would deal with this "unequivocally, firmly, promptly." The promise was given after Democratic presidential candidate Walter Mondale, former President Jimmy Carter, House Speaker Thomas O'Neill and some other congressmen strongly demanded that CIA Director William Casey be removed from his office.

Asked whether Casey will be dismissed if the investigation shows that he was involved in the case, McFarlane said, "Whoever was involved ought to be fired." He, however, added that "all the evidence preliminarily is that this was a subordinate thing, perhaps not even someone who is employed by the CIA."

Disclosure of the contents of the CIA manual embarrassed the administration. Last Thursday, President Reagan ordered two investigations to determine if the CIA acted improperly in preparing it. According to McFarlane, the investigations will be completed "within a week or so." In his foreign policy debate with Walter Mondale last night, President Reagan said that the manual was written by "a gentleman down in Nicaragua who is on contract to the CIA, advising — supposedly on military tactics — the contras." He added, "If guilt is established, whoever is guilty, we will treat with that situation then, and they will be removed."

FURTHER COVERAGE OF JIANG NAN MURDER CASE

FBI Investigating

HK230246 Beijing ZHONGGUO XINWEN SHE in Chinese 1520 GMT 19 Oct 84

["U.S. FBI Takes Over Investigation of the Jiang Nan Case" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 19 Oct (ZHONGGUO XINWEN SHE) -- News from New York: A local newspaper, CHUNG PAO, reported today that a Daly City policeman responsible for the investigation into the homicide of writer Jiang Nan (Liu Yiliang) indicated that local police have asked the State Department and FBI for help in a joint, in-depth investigation of the case. The policeman said: "This is because they are specialized in political affairs."

Earlier another Chinese daily, HUAYU KUAI PAO [CHINESE EXPRESS DAILY], reported that because freedom of speech is involved in the assassination of Jiang Nan, the FBI is becoming involved. That is to say, the homicide case, which as a rule would be handled by the Daly City police, has been upgraded and handled by the FBI.

It is reported that in light of police investigation results, police authorities had, by Wednesday afternoon, ruled out the possibility of homicide resulting from attempted robbery or theft. At present the investigation is heading in two directions, the possibility of a political assassination and attempted blackmail. That is why the police authorities have asked the State Department and the FBI for help.

With regard to Jiang Nan's tragic death, his widow told a HUAYU KUAI PAO reporter that she was filled with indignation and that, with the help of her friends, she was determined to get to the bottom of the homicide to avenge her husband. She said: "My present indignation is greater than my sorrow. Thanks to the support of this indignation I have the strength to tide over this difficult situation."

Jiang Nan's friends have organized a funeral committee. They plan to hold a funeral ceremony on 21 October and hold a demonstration on that day to protest against the chief plotter of the assassination. In the meantime, they have sponsored the organization of a fund offering a \$20,000 reward for the capture of the assassin.

San Francisco Funeral

OW221326 Beijing XINHUA in English 1214 GMT 22 Oct 84

[Text] Washington, October 21 (XINHUA) -- Overseas Chinese and Chinese-Americans in San Francisco today held a memorial service and funeral for Chinese-American writer Henry Liu, who was murdered October 15. Speakers at the service condemned the base act of the murderers and demanded that the United States Government investigate the case and uncover the whole truth.

The meeting, held at the Li An funeral parlor in San Francisco's Chinatown, was attended by more than 400 persons, including Chinese Consul General in San Francisco Tang Shubei and other Chinese diplomats.

Mr. Xie Shangyuan, who chaired the meeting, asked in indignation: "Who is the man who did this heartless matter?" Vice President Van S. Lung of the National Association of Chinese-Americans recalled that patriotic professors Li Congpo and Wen Yiduo were killed in cold blood over 40 years ago. "Today, the same outrage has been repeated on a member of the Chinese society in the United States. It is really shameful and sorrowful whatever its reason."

Deputy Director of the Chinese language newspaper THE TRIBUNE Ruan Dafang and director of the Chinese language paper TIME also spoke at the meeting.

Many Overseas Chinese, Chinese-Americans, institutions, businesses and Henry Liu's friends presented wreaths to the deceased. Chinese Ambassador to U.S. Zhang Wenjin and the Chinese Consulate General in San Francisco also presented wreaths and an elegiac couplet in praise of Henry Liu's sentiments for the motherland and his efforts for its peaceful reunification.

After the meeting, a long funeral procession, accompanied by solemn music, marched through the streets of San Francisco.

SHANGHAI-SAN FRANCISCO MANAGERIAL TRAINING COURSE

OW230821 Beijing XINHUA in English 0644 GMT 23 Oct 84

[Text] Shanghai, October 23 (XINHUA) -- A managerial training course sponsored by the cities of Shanghai and San Francisco opened here on Monday. The course is one of the cooperative items proposed by the mayors of the two cities. Shanghai established friendly ties with San Francisco four years ago.

"The course will pave the way for the opening of an international commercial college here jointly by Shanghai and San Francisco," Shanghai Vice-Mayor Ye Gongqi said at the opening ceremony.

I. 23 Oct 84

B 4

PRC INTERNATIONAL AFFAIRS
UNITED STATES

Attending the two-year course are 30 executives and engineers from industrial, foreign trade and transport enterprises in Shanghai. Outstanding trainees will be sent to San Francisco for six months of advanced studies.

Lectures by Chinese and American professors will cover subjects including international economic cooperation, technology transfer, the contemporary U.S. economy, and American commercial law.

CHINESE, AMERICAN WRITERS MEET IN BEIJING

OW191816 Beijing XINHUA in English 1648 GMT 19 Oct 84

[Text] Beijing, October 19 (XINHUA) -- Several leading contemporary Chinese and American writers had a reunion at a reception here this evening before sitting down at a meeting on October 21.

Chinese writers Feng Mu, Wang Meng, Jiang Zilong, Zhang Jie and Liu Binyan will join poet Allen Ginsberg and writers Maxine Hong Kingston and Toni Morrison at the second Chinese-American writers meeting in the Chinese capital. The first meeting took place at Los Angeles in 1982.

The U.S. group was led by William Schaefer, executive vice-chancellor of the University of California, Los Angeles. Harrison Salisbury, former executive editor of THE NEW YORK TIMES, will act as the American chairman at the Beijing meeting which is scheduled to discuss "the source of literary creation".

Addressing the reception this evening, Feng Mu, vice-chairman of the Chinese Writers' Association, expressed the hope that writers attending the meeting would exchange views freely and enhance mutual understanding. Salisbury said he hoped that the "free and exciting exchange" at the meeting would help increase friendship between writers of two different cultural backgrounds.

U.S. Ambassador to China Arthur Hummel was present.

Li Yimang Hosts Reception

OW202129 Beijing XINHUA in English 1911 GMT 20 Oct 84

[Text] Beijing, October 20 (XINHUA) -- Li Yimang, president of the Association for International Understanding of China, gave a reception here this evening for a U.S. writers' delegation led by William Schaefer, executive vice-chancellor of the University of California, Los Angeles.

The 22-member delegation will attend a 3-day Chinese-American writers' meeting which begins tomorrow. Among its members are Harrison Salisbury, former deputy editor-in-chief of THE NEW YORK TIMES, poet Allen Ginsberg, novelist Maxine Hong Kingston and writer Toni Morrison.

Attending the reception were Chinese poet Ai Qing, writer Feng Mu and journalists and publishers.

NUMBER OF PROBLEM BANKS IN U.S. INCREASES

OW210328 Beijing XINHUA in English 0247 GMT 21 Oct 84

[Text] Washington, October 20 (XINHUA) -- A record number of U.S. banks are listed as problems by the three banking agencies and require special supervision, William M. Isaac, chairman of the U.S. Federal Deposit Insurance Corporation (F.D.I.C.), told the press yesterday.

Most of the listed banks are small, and rescuing them is less difficult than preventing the failure of major money-market banks, such as the Continental Illinois National Bank and Trust Company, which the U.S. federal agencies rescued earlier this year.

The latest number of problem banks, 797 in all, represents 5.4 percent of the country's 14,750 commercial banks. In the wake of the 1981-82 recession, the number of troubled banks on the list began to rise, reaching 389 on January 1, 1983, 642 on January 1, 1984, and 721 on August 1, 1984.

The most common reason for being listed as a problem is that a bank has too many bad loans on which interest and principal are not being paid or are late, said the NEW YORK TIMES today.

Commenting on the listed 797 banks, Alan Whitney, an insurance corporation spokesman, said: "Most of these banks will not fail. They're getting intensive scrutiny and supervision, and most of them, over a period of time, will correct their problems and be removed from the list."

Banks are examined for financial soundness by three U.S. federal agencies: the F.D.I.C., the Office of the Controller of the Currency and the Federal Reserve.

U.S. FARMERS, FARM BANKS FACE FINANCIAL TROUBLE

OW221320 Beijing XINHUA in English 1158 GMT 22 Oct 84

[Text] Washington, October 21 (XINHUA) -- American farmers and farm banks are facing financial troubles due in part to the optimistic overexpansion of more profitable years.

During the 1970s, crops of all kinds fetched high prices, land values were high and growing, and borrowing for farm purposes was easy. As a result, many farmers seized the opportunity to expand their businesses both in terms of acreage and equipment. At the beginning of the 1980s, grain sales slumped, farm land values deflated, and interest rates soared. Many agricultural areas in the U.S. also suffered from drought.

As a result, those who had borrowed heavily were caught out on a limb. It has been estimated that one in three farmers now has debts worth at least 40 percent of his assets, and one in six has debts amounting to 70 percent or more of assets. Farm bankruptcies are on the rise across the country. For example, 152 Nebraska farmers filed for bankruptcy during the first eight months of this year, more than 12 times as many as in the same period of 1980.

Troubles on the farm get farm banks into trouble. At the end of 1983, farm banks -- that is, banks that make at least 25 percent of their loans to farmers -- accounted for only 24 percent of the country's "problem banks" listed by the Federal Deposit Insurance Corporation. By last June, that figure had increased to 34 percent. Ten of the country's 27 banks which failed between June 1 and September 30 this year were farm banks. Many U.S. banking experts foresee that the farm bank crisis will result in a period of tighter credit for farmers just at a time when they are experiencing a bigger need for a ready cash flow than ever before. There is a consensus among the experts that the solution lies in driving down the interest rates.

Despite the problems, many banking experts agree that there will not be any big collapses in the U.S. farm sector, because the government extends price supports to protect farm incomes and offers insurance for farm banks. Besides, most farm banks have adequate capital reserves accumulated during the boom years since World War II and many are still profitable.

CHERNENKO SAYS RELATIONS WITH U.S. NOT IMPROVED

OW171800 Beijing XINHUA in English 1626 GMT 17 Oct 84

[Text] Moscow, October 17 (XINHUA) -- Soviet leader Konstantin Chernenko said today there exist no grounds for saying that there has been an improvement in Soviet-U.S. relations, the Soviet news agency TASS reported.

Answering the questions of a WASHINGTON POST correspondent stationed here, he said, however, that Soviet-U.S. relations may improve, adding that the Soviet Union hopes to establish good relations with the United States. Referring to U.S. President Ronald Reagan's stated willingness to resume a dialogue with Moscow on a wide range of issues including arms control, he said Moscow is ready at any time to begin serious and realistic negotiations with Washington. This could only happen, however, if Reagan's statement is not simply a tactical step, he said.

The Soviet leader accused the U.S. Administration of never showing with any real deeds any genuine willingness to conduct negotiations and reach agreements. He also repeated the Soviet stand on preventing the militarization of outer space, imposing a freeze on all nuclear weapons and halting nuclear tests.

USSR SAID TO BEGIN DEPLOYING SS-25 MISSILES

OW222005 Beijing XINHUA in English 1924 GMT 22 Oct 84

[Text] Washington, October 22 (XINHUA) -- the Soviet Union may have begun deploying the SS-25, a new land-based intercontinental ballistic missile comparable to the United States Minuteman 3, THE NEW YORK TIMES reported today.

Western intelligence analysts say that they have received reports that the missile is being installed in the western military districts of the Soviet Union. One SS-25 has been deployed at Yoshkar-Ola, west of Moscow. According to senior European intelligence sources, installation of the SS-25 would give the Soviet Union an advantage in land-based strategic nuclear weapons, and increase the likelihood of survival of the Soviet long-range missile arsenal in an attack, the report said.

U.S. analysts said that the SS-25, a three stage solid-fuel mobile missile carrying six to nine warheads, has been under development for more than six years. The range of the missile probably exceeds 6,000 miles and it is capable of hitting any target well beyond Europe, including the United States.

TASS CITED ON SACKED UZBEKISTAN OFFICIALS

OW221822 Beijing XINHUA in English 1631 GMT 22 Oct 84

[Text] Moscow, October 22 (XINHUA) -- A number of Communist Party secretaries, presidents and vice presidents on regional, city and district levels have been removed from their posts in the Soviet Central Asian Republic of Uzbekistan, according to the Soviet news agency TASS.

TASS announced in a report today that leaders of some departments in that union republic also have been sacked. The union republic's party plenary session in June criticized "serious shortcomings" in the economy, TASS said, and the republic failed to fulfill its industrial plan for the first nine months of 1984. Several ministers of the republic, including those in charge of light industry, the fruit and vegetable industry and the construction material industry were severely reprimanded, TASS said.

Uzbekistan is now fighting against "exaggeration of achievements, deception, bribe-taking, speculations, waste, theft and misuse of administrative power," TASS said.

DENG XIAOPING, JAPAN'S SUZUKI DISCUSS TAIWAN, KOREA

OW230617 Tokyo KYODO in English 0535 GMT 23 Oct 84

[Excerpts] Beijing, Oct. 23 KYODO -- Chinese leader Deng Xiaoping told former Japanese Prime Minister Zenko Suzuki Tuesday China has never committed itself in abandoning non-peaceful means to annex Taiwan under Nationalist rule. Deng, however, reaffirmed China's concept of "one country, two systems" to reunify the mainland and the island, divided since 1949, Japanese officials said. China applied the flexible concept just last month to restore Chinese sovereignty over the British Crown Colony of Hong Kong in 1997.

During the 40-minute meeting with the former Japanese leader, the 82-year-old strongman encouraged Japanese business corporations to invest in North Korea to help the Pyongyang government develop its economy, the officials said.

Deng was quoted as telling Suzuki China has proposed reunification with Taiwan through peaceful means and has exerted prudence and will do so hereafter. China will never succumb to U.S. pressures for Beijing's declaration not to resort to nonpeaceful means over the Taiwan issue, the Chinese leader said. Once China declares so, even peaceful talks will turn difficult and China cannot sit at a negotiating table, Deng was quoted as saying. Suzuki asked what both Japan and China should do to contribute to peace and stability of the Korean peninsula, divided into north and south soon after World War II, Japanese officials said. Deng replied Japanese corporations should advance to North Korea, however small profits there are, the officials said. Deng's remark echoed a North Korean joint venture law enacted on September 8 to promote economic and technological interchanges with other countries. Deng said the North would never invade the South and had no strength or force to do so. The United States believes the military balance on the peninsula is in the South's favor. North Korea is anxious about possible invasion from the South to the North, the Chinese elder statesman was quoted as saying.

Gu Mu Fetes Suzuki

OW221540 Beijing XINHUA in English 1513 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- State Councillor Gu Mu hosted a banquet here tonight in honor of former Japanese Prime Minister Zenko Suzuki and his wife Sachi Suzuki. Also present was Madame Shigeko Ohira, wife of the late Japanese Prime Minister Masayoshi Ohira. The visitors have come to attend the inauguration of the China-Japan Friendship Hospital scheduled for tomorrow.

In their toasts, Gu Mu and Zenko Suzuki wished continued growth to the China-Japan friendship and cooperation.

Present were leading officials from the Chinese Foreign Ministry, the Ministry of Public Health, the China-Japan Friendship Association and Beijing Municipality. Also present was Japanese Ambassador to China Yosuke Nakae.

Suzuki Meets Wang Zhen

OW221536 Beijing XINHUA in English 1511 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Honorary President Wang Zhen of the China-Japan Friendship Association met here today former Japanese Prime Minister Zenko Suzuki and his wife Sachi Suzuki. On another occasion, Wang Zhen met with Shigeko Ohira, wife of the late Japanese Prime Minister Masayoshi Ohira.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

The visitors have come to attend the inauguration of the China-Japan Friendship Hospital in Beijing which is to open tomorrow.

WANG ZHEN MEETS JAPANESE BUSINESS DELEGATION

OW230738 Beijing XINHUA in English 0649 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met a delegation from Japan's NEC Corporation led by Chairman and Chief Executive Officer Koji Kobayashi here this morning. Present at the meeting were Wei Mingyi, vice-minister of the electronics industry, and Li Yukui, vice-minister of posts and telecommunications.

GU MU MEETS JAPANESE SECURITIES COMPANY OFFICIAL

OW221538 Beijing XINHUA in English 1515 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Chinese State Councilor Gu Mu today had a friendly talk with Mrs. [as received] Sadakane Doi, president of the Daiwa Securities Co. of Japan, on the further development of economic cooperation between China and the Japanese company. Mr. Doi and his party arrived here at noon today at the invitation of the China International Trust and Investment Corporation.

CHEN MUHUA MEETS OKINAWA TRADE DELEGATION

OW221404 Beijing XINHUA in English 1312 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua met here this afternoon a delegation from the Okinawa chapter of the Japan Association for the Promotion of International Trade led by Chief Director of the chapter Seisuke Higa. The delegation arrived here yesterday at the invitation of the China Council for the Promotion of International Trade. The Japanese guests will visit the special economic zones and coastal cities opening to the outside world to further economic and trade cooperation between Okinawa region and China.

FANG YI MEETS JAPANESE SCIENCE OFFICIAL

OW230735 Beijing XINHUA in English 0647 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- State Councillor Fang Yi met Kesuke Arita, president of the Japan International Cooperation Agency, and his party here this morning. Song Jian, minister in charge of the State Science and Technology Commission, was present.

Arita is here to attend the opening ceremony of the Sino-Japanese Friendship Hospital at the invitation of the Chinese Ministry of Public Health. The Japanese agency is a governmental organ handling scientific and technical cooperation with developing countries.

PRC, JAPANESE HEALTH MINISTERS MEET IN BEIJING

OW221358 Beijing XINHUA in English 1304 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Cui Yueli, minister of public health, met Kozo Watanabe, Japanese minister of health and welfare, and his party here this afternoon.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

The Japanese guests, arrived here this afternoon at the invitation of the Ministry of Public Health, will attend the opening ceremony of the China-Japan Friendship Hospital tomorrow in northeast part of Beijing.

WWII PRISON WARDENS VISIT JAPAN, FORMER CHARGES

OW202132 Beijing XINHUA in English 2014 GMT 20 Oct 84

[Text] Tokyo, October 20 (XINHUA) — A Chinese delegation, formed by eight former prison officers in charge of Japanese war criminals after World War II, arrived here today as guests of the Liaison Council of Japanese Repatriates from China.

The Chinese prison officers used to work at two of China's reforming houses for Japanese war criminals in Fushun and Taiyuan where more than 1,000 Japanese officers were detained right after World War II. Tominaga Shozo, who fought in the Second World War in China, told XINHUA that it was unprecedented in the world that the prisoners had invited the wardens for a friendly visit.

At a welcome meeting for the Chinese delegation here this evening, Shozo, Koyama Yichiro, and Yamanka Morinosuke spoke on behalf of Japanese officers detained in China and their families. They thanked the Chinese Government and people for humanitarian treatment and patient efforts to reform war criminals. The Japanese Army officers detained at the two reforming houses in China were released and sent back to Japan not long after the war was over, except 45 who were tried and sentenced to prison.

The Chinese delegation is headed by Jin Yuan, former director of the reforming house in Fushun and now a professor at the International Institute of Politics in Beijing. It will visit Tokyo, Sendai, Osaka, Kyoto and Nara before returning home on October 30.

PRC FRIENDSHIP DELEGATION LEAVES FOR DPRK 23 OCT

OW230745 Beijing XINHUA in English 0650 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- A Chinese people's friendship delegation left here today for a visit to the Democratic People's Republic of Korea at the invitation of the Korean Government. The delegation led by Zheng Weishan, commander of the Lanzhou Military Area of the Chinese People's Liberation Army, will attend a ceremony inaugurating the newly expanded Korean-Chinese friendship tower. It will also attend celebrations of the 34th anniversary of the Chinese People's Volunteers' entry into the Korea to take part in the Korean war.

XINHUA COMMENTARY ON SRV PEACE PROPOSALS

OW202001 Beijing XINHUA in English 1927 GMT 20 Oct 84

["Commentary: Real Intentions in Vietnam's Peace Proposals -- by Huang Yuan" -- XINHUA headline]

[Text] Beijing, October 20 (XINHUA) -- It has become a routine in recent years that whenever the United Nations General Assembly was in session, Vietnam would come out with some "peace proposal" on the Kampuchea issue in an attempt to deceive world opinion and lessen the pressure from the international community. This year again, Vietnam made a show before and during the U.N. General Assembly session as if it was anxious for a political settlement of the Kampuchea issue. It proposed that the Indochinese countries hold unconditional talks with the ASEAN countries, expressed its "welcome" to a "third country mediation" and called for a new international conference on Kampuchea.

Ostensibly, it looks as if Vietnam's attitude on the Kampuchea issue has become somewhat softened and flexible, compared with its tough position in the early days of its aggression against Kampuchea when it had denied the existence of the Kampuchea issue and maintained the situation in that country was irreversible. In fact, there is nothing new in Vietnam's latest peace proposals and no change at all in its position. Indonesian Foreign Minister Mokhtar Kusumaatmaja said on October 14 that nothing new had emerged from his talks with Thach at the U.N. and "things remain very much as they were."

It is well known that the Kampuchean problem is created by the Vietnamese military invasion and the key to solving it lies in a complete withdrawal of Vietnamese troops from that country. However, Hanoi remains as stubborn as ever and shows no sign of change over the problem.

Thach told a New York press conference that the problem is not at all negotiable and once again flatly rejected in his October 9 speech at the U.N. General Assembly the demand for the Vietnamese withdrawal from Kampuchea. The Vietnamese foreign minister declared that only in the next five to ten years when the Heng Samrin regime is able to undertake its own defense will Hanoi pull out most of its troops.

At an October 11 press conference in New York, Thach announced that Vietnam has now reversed its priorities and will concentrate its efforts to eradicate the patriotic Kampuchean resistance forces first. These remarks indicate Hanoi's insistence on solving the Kampuchea issue by military means rather than political ones.

Hanoi's real purpose behind the much-propagated "dialogues," "talks" and "international conference" on the issue is reflected in a statement made by Thach in Tokyo on October 2 that Vietnam is going to conduct "dialogues" with two of the factions of the Kampuchean resistance forces led by Sihanouk and Son Sann, but the "Pol Pot-led Khmer Rouge" is not allowed to take part in. On October 5, however, a spokesman of the Vietnamese Foreign Ministry said in Hanoi that Vietnam "will not conduct dialogues with Sihanouk and Son Sann," who can only hold dialogues with the Heng Samrin regime. On October 11, Thach said Hanoi will never conduct dialogues with Sihanouk and Son Sann so long as they form a coalition with the "Khmer Rouge".

It is clear that Hanoi's real purpose behind their proposed "dialogues" is to sow disorder among the three factions of the resistance forces which formed the Democratic Kampuchean Coalition Government, legalize the Vietnamese-backed Heng Samrin regime, and get what it failed to win at the battlefield in the last six years.

Before his visit to Japan, Nguyen Co Thach told Japanese reporters that Vietnam agreed on the third country mediation. "If Japan is neutral, it is welcomed to be the third country," he said. During the visit, however, when Japanese Foreign Minister Shintaro Abe told Nguyen that Vietnam should withdraw its troops from Kampuchea and Kampuchea should be allowed the right to self-determination, the Vietnamese minister changed his tune. He said at a press conference after the meeting that if Japan supports China and ASEAN's policy then it's not qualified for taking part in the international conference proposed by Vietnam.

While at the press conference, Nguyen Co Thach said he supported an international conference on Kampuchea. He attacked the United Nations, saying the U.N. "does not adapt itself to the changing situation." In his speech at the U.N. General Assembly on October 9, he accused the majority of U.N. members which recognize Democratic Kampuchea of "siding with the expansionist forces". It is clear by welcoming the third party mediation, Vietnam means that the third country should accept Vietnam's stand on the Kampuchean issue; and its call for an "international conference" is just an attempt to liquidate all U.N. resolutions demanding Vietnamese withdrawal from Kampuchea and self-determination to the Kampuchean people, and to divide the international forces opposed to its occupation of Kampuchea.

All this shows that despite their dire straits, the Vietnamese authorities still refuse to give up their aggressive and expansionist designs. All their diplomatic maneuvers serve only to achieve their expansionist designs.

BEIJING VIETNAMESE ON CGDK RETENTION OF UN SEAT

OW201123 Beijing in Vietnamese to Vietnam 1400 GMT 19 Oct 84

[Station commentator Ya Ming's analysis of current events and the significance of the permanent retention of DK's legal UN seat]

[Text] On 17 October 1984, the 39th UN General Assembly adopted without a vote the report by its Credentials Committee, thereby accepting the credentials submitted by member states, including Democratic Kampuchea [DK]. Once again, DK's UN Seat has been retained.

Since its invasion of Kampuchea at the end of 1978, Vietnam has repeatedly submitted to the past four UN General Assembly sessions its draft amendment to the report by the Credentials Committee on the issue of DK's seat, in an attempt to usurp DK's legal position. However, Vietnam has sustained pitiful setbacks on all these occasions because of the opposition by the great majority of UN delegates.

Last year, due to a lack of self-confidence, Vietnam did not submit any of its draft amendments. Therefore, the UN approved, without a vote, DK's credentials for the first time. Vietnam did the same thing again this year.

This situation has mainly revealed that the Kampuchean people's resistance to Vietnamese aggression is enjoying increasing sympathy and broad support in the international arena.

At the 39th UN General Assembly session, Samdech Norodom Sihanouk, president of DK, was heartily applauded by all delegates in the conference hall when he delivered a speech on the increasing military and diplomatic successes achieved by the DK Government and people over the past years.

In order to save Vietnam from being isolated on the Kampuchean issue, prior to this UN General Assembly session, Vietnamese Foreign Minister Nguyen Co Thach conducted numerous diplomatic approaches, all of which met with failure.

At this session's general debate, delegates from various countries condemned Vietnam for continuing to illegally occupy Kampuchea, and exposed Vietnam's maneuver of partial troop withdrawal. In the face of this situation, Vietnam dared not advance its draft amendment regarding DK's representative seat because it would be unable to gain anything, only revealing its isolation even more clearly.

Once again, the retention of DK's legal UN seat has profoundly reflected the international community's desire, and has further encouraged the Kampuchean people and consolidated their confidence in the complete success of their resistance to Vietnamese aggression.

HONG KONG, SHANGHAI ESTABLISH JOINT VENTURES

OW210621 Shanghai City Service in Mandarin 2300 GMT 19 Oct 84

[Text] A ceremony for signing the contracts and articles of association of the Shanghai Minhang Joint Development Company, Ltd and the Shanghai Hongqiao Joint Development Company, Ltd, jointly operated by the Shanghai Minhang-Hongqiao Development Company, the Hong Kong-Macao (Zhongyin) Group, and the Shanghai branch of the Bank of China, was held at the Jinjiang Club in Shanghai at 1800 on 19 October.

Attending the ceremony were Mayor Wang Daohan; Vice Mayors Ruan Chongwu, Ni Tianzeng, and Ye Gongqi; and Jiang Wengui, vice chairman of the board of directors of the Bank of China and director of the Department of Hong Kong-Macao Administration. The establishment of these two joint ventures will promote closer economic and technical cooperation between Shanghai and the Hong Kong area as well as accelerate the development and management of the two new districts of Minhang and Hongqiao. It is understood that basic municipal public utilities in these two districts are under construction, that Minhang has begun to supply land for building plants and that Hongqiao District will also supply land for building consulates and houses starting late this year.

LI XIANNIAN MEETS TURKISH POLITICIANS 23 OCT

OW230830 Beijing XINHUA in English 0806 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- Chinese President Li Xiannian said here today that China was determined to develop its friendly cooperation with Turkey.

In a conversation with Halil Sivgin, vice-president of the Turkish Motherland Party, Li said relations between China and Turkey were "very good" and they shared similar views on international issues. He recalled the warm reception accorded him by the Turkish Government and people while he was there earlier this year. Li invited Turkish Prime Minister Turgut Ozal to visit China when it was convenient to him.

In this intranquil world today, Li said, and the people of the world including those of Europe, the United States and the Soviet Union all wanted peace. [as received] Clamor for war found no support among the people while the call for peace enjoyed a most popular support. All countries in the world wanted the Soviet Union and the United States to hold negotiations, stop arms race and reduce armaments, Li said. "This is the common, strong desire of all countries," he added.

Sivgin said that there were no conflicts and contradictions between Turkey and China although the world was beset with crises. President Li's visit to Turkey and President Evren's visit to China and the warm welcome they received in each other's country, he said, indicated that the two countries were on good terms. He said that his Motherland Party would do its best to develop Turkey-China relations.

The meeting took place in the Great Hall of the People. Present were Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee, Zhang Zhixiang, vice-president of the Association for International Understanding of China, and Necdet Tezel, Turkish ambassador to China.

FRENCH SOCIALIST PARTY DELEGATION VISITING PRC

Meets Hu Qili

OW221352 Beijing XINHUA in English 1254 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Hu Qili, member of the Secretariat of the Chinese Communist Party Central Committee, met here this afternoon a delegation from the Socialist Party of France led by Guy Allouche, deputy national secretary of the party.

Hu and Allouche both expressed satisfaction with the development of relations between the two parties promoted by the exchange of visits since the establishment of relations in 1981. Hu said that General Secretary Hu Yaobang had agreed to send a C.P.C. delegation to France next year as invited by the French Party. Hu also briefed the visitors on China's economic reform, especially the reform of the entire economic structure with the stress on urban reform decided at the Third Plenary Session of the 12th C.P.C. Central Committee.

Li Shuzheng, deputy head of the International Liaison Department of the C.P.C. Central Committee, was present.

The delegation came here last Friday at the invitation of the Liaison Department. Qian Liren, head of the Liaison Department, gave a dinner for the delegation on the same evening.

Meets Geng Biao

OW221354 Beijing XINHUA in English 1258 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Geng Biao, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party and vice-chairman of the National People's Congress Standing Committee, met and feted here this evening a delegation from the Socialist Party of France.

The delegation is led by Guy Allouche, deputy national secretary of the Socialist Party of France. Zhu Liang, deputy head of the International Liaison Department of the C.P.C. Central Committee, was present.

CHEN MUHUA MEETS PORTUGUESE GEOLOGY DELEGATION

OW221636 Beijing XINHUA in English 1616 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua met here this afternoon a geological delegation from the Portuguese Ministry of Industry and Energy headed by Joaquim Leitao da Rocha Cabral, secretary of state of the Portuguese Ministry of Industry and Energy.

The Portuguese guests came here to carry on geological survey on nonferrous metals, petroleum and coal mines in China and they will also hold talks on trade and technological cooperation with Chinese departments concerned.

PRC FRIENDSHIP DELEGATION FETED IN AMSTERDAM

OW190812 Beijing XINHUA in English 0704 GMT 19 Oct 84

[Text] The Hague, October 18 (XINHUA) -- A reception honoring a delegation of the Chinese People's Association for Friendship With Foreign Countries was held this evening in Amsterdam.

The event was sponsored by the Netherlands-China Friendship Association and the General Association of Chinese Residents in the Netherlands.

On the occasion, chairman of the Netherlands-China group Piet Eykhoff said the Chinese delegation's successful visit demonstrated that cooperation between the two countries in all fields will develop day by day.

Wang Bingnan, president of the Chinese People's Association, described his meetings with the Dutch leaders as friendly and useful to furthering mutual understanding and bilateral cooperation. During their stay, Wang and his party visited the port of Rotterdam and attended a banquet given by the municipality. They also visited the Amsterdam port by boat and met the mayor of the city.

The delegation arrived here on October 15 and will leave for Frankfurt tomorrow morning to continue its European tour.

CHINESE BANK DELEGATION VISITS ROMANIA

OW202145 Beijing XINHUA in English 1920 GMT 20 Oct 84

[Text] Bucharest, October 20 (XINHUA) -- G. Oprea, member of the Executive Political Committee of the Central Committee of the Romanian Communist Party and first deputy prime minister, received this morning a delegation of the People's Bank of China led by its President Lu Peijian.

Present on the occasion were F. Dumitrescu, president of the Romanian National Bank and Li Zewang, Chinese ambassador to Romania. The Chinese delegation arrived here on October 18 at the invitation of the Romanian National Bank for working meetings and an exchange of experience in their work. P. Gigea, Romanian minister of finance, gave a banquet yesterday evening in honor of the delegation.

POLAND'S KAMINSKI RECEIVES CHEN PURU IN WARSAW

OW210318 Beijing XINHUA in English 0256 GMT 21 Oct 84

[Text] Warsaw, October 20 (XINHUA) -- Polish Minister of Communications Janusz Kaminski said here today that Poland would like to expand cooperation with China in railroad.

He said this in a meeting with Chinese Minister of Railways Chen Puru who was here to attend the 12th ministerial meeting of the international railroad cooperation organization. Kaminski said there were bright prospects for cooperation between the two countries in terms of railroad equipment, scientific research and technology.

The two ministers agreed to exchange visits next year during which they will sign an agreement on railroad cooperation. The Chinese minister left here for home this afternoon via Moscow.

PRC, CSSR AGREE ON FURTHER SCIENTIFIC COOPERATION

OW230233 Beijing XINHUA in English 0203 GMT 23 Oct 84

[Text] Prague, October 22 (XINHUA) -- China and Czechoslovakia agreed to embark on a number of cooperative projects at the 26th conference of the Sino-Czechoslovak Joint Committee for Scientific and Technical Cooperation which ended here yesterday.

The two countries signed an agreement on the projects.

PRC CHEMICAL INDUSTRY DELEGATION LEAVES FOR GDR

OW211400 Beijing XINHUA in English 1245 GMT 21 Oct 84

[Text] Beijing, October 21 (XINHUA) -- A ten-member Chinese chemical industry delegation led by Qin Zhongda, minister of chemical industry, left here today for the German Democratic Republic at the invitation of the G.D.R. Government.

Seeing the delegation off at the airport were Lin Yincui, vice-minister of chemical industry, and Rolf Berthold, G.D.R. ambassador to China.

TUNISIAN PRIME MINISTER MEETS CPC, STATE LEADERS

Feted by Zhao Ziyang

OW201925 Beijing XINHUA in English 1901 GMT 20 Oct 84

[Text] Beijing, October 20 (XINHUA) -- Chinese Premier Zhao Ziyang tonight paid tribute to the Tunisian Government for adhering to a non-aligned policy, opposing power politics, safeguarding unity among the Arab countries, and supporting the Palestinian people's struggle. His praise came in a speech at a banquet for visiting Tunisian Prime Minister Mohamed Mzali.

Zhao said the Tunisian people, led by President Habib Bourguiba, had achieved outstanding success in safeguarding national dignity and sovereignty and developing their economy and culture. He said China followed an independent foreign policy of peace and worked to strengthen unity and cooperation with other Third World countries. "We will join the people of the world in continued, unrelenting efforts to oppose hegemonism, relax international tension and safeguard world peace."

Zhao mentioned the Chinese Communist Party's new decision to reform China's economic administrative structure, with cities as the focus. He described it as of far-reaching significance. The Chinese people were working with full confidence and in a down-to-earth manner to fulfill their socialist modernization program, the premier said.

Mzali expressed satisfaction with the friendly relations and cooperation between Tunisia and China, saying he believed that they would develop further. He instanced the many exchanges of visits and the conclusion of a series of important economic, technological, and cultural agreements. Tunisia, as a Third World country, would strive to achieve a rational, stable and coordinated development through self-reliance, he said.

Mzali said Tunisia also stood for the Five Principles of Peaceful Coexistence and equality in cooperation. "We both strictly observe international laws and norms and the United Nations charter, and are determined to make joint efforts to safeguard peace in the world in general and in our respective continents in particular," Mzali said. Those present at the banquet included Chinese State Councillor Ji Pengfei.

Meets Li Xiannian

OW220830 Beijing XINHUA in English 0755 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Chinese President Li Xiannian told the visiting Tunisian Prime Minister Mohamed Mzali and Mrs. Mzali here today that their visit to China achieved positive results and enhanced the friendly relations between China and Tunisia.

Mzali responded that substantial progress was made during this visit. He said, "I discussed the bilateral relations and multiple cooperation with Premier Zhao Ziyang. We agree to increase trade between our two countries." The Tunisian prime minister pointed out that Tunisia and China, both Third World countries, could help each other and promote South-South cooperation.

Li Xiannian agreed, adding: "We appreciate the important contributions of President Habib Bourguiba to the development of friendly relations between China and Tunisia."

On the Middle East situation and the Palestinian issue, Li said that although the Palestinian people were faced with great difficulties, their struggle had a bright future and would be victorious so long as the Arab world got united in supporting the Palestinian people. He reiterated China's firm support to the Palestine Liberation Organization headed by 'Arafat and to the just struggle of the Arab and Palestinian peoples.

Mzali said Tunisia appreciated China's unswerving and courageous stand. Tunisia considered China's support to the Palestinian people as important. He emphasized that Tunisia supported the Palestinian people and the PLO.

Present at the meeting in the Great Hall of the People this morning were Minister of Water Resources and Electric Power Qian Zhengying and Vice-Minister of Foreign Affairs Wen Yezhan. Earlier today, Prime Minister Mzali laid a wreath at the Monument to the People's Heroes.

Meets Wu Xueqian

OW221614 Beijing XINHUA in English 1458 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- State Councilor and Foreign Minister Wu Xueqian called on visiting Tunisian Prime Minister Mohamed Mzali at the state guest house here this afternoon.

Mzali said his visit would foster bilateral cooperation qualitatively and quantitatively. Wu Xueqian said it would further all-round friendly relations and cooperation. He said Mzali's fruitful talks with Chinese leaders outlined the broad vista for South-South cooperation.

Present on the occasion were Wen Yezhan, vice-minister of foreign affairs, Rachid Sfar, Tunisian minister of national economy and Ahmed Ben Arfa, Tunisian Foreign Ministry secretary of state for international cooperation. This afternoon Mzali met with Li Menghua, minister of physical culture and sport, Zhong Shitong, president of the Chinese Olympic Committee, and He Zhenliang, member of the International Olympic Committee.

Mzali, a member of the International Olympic Committee, was instrumental in restoring China's seat on the committee.

Hosts Return Banquet

OW221758 Beijing XINHUA in English 1645 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Tunisian Prime Minister Mohamed Mzali and Mrs Mzali gave a return banquet at the Great Wall Hotel here this evening. Chinese Premier Zhao Ziyang was among the guests.

Mzali said: "It is my great honor that my visit to China coincides with the convocation of the Third Plenary session of the 12th Central Committee of the Chinese Communist Party, which has decided to reform the structure of the entire national economy focusing on urban economy. "Mzali conveyed his own and President Habib Bourguiba's best wishes to the Chinese Communist Party, government and leaders for the reform.

He said his visit would bring closer friendship between the two peoples and enable bilateral cooperation to achieve greater results. Mzali said his three-day candid and friendly talks with Chinese leaders showed their common aspirations for the development of friendly relations and friendship and for improving South-South cooperation.

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Both would regard this as the first step towards bright prospects for cooperation.

Zhao Ziyang spoke of the visit's fruitful results. He stressed that the constant development of Sino-Tunisian friendly cooperation to its present excellent level was inseparable from the great concern and support of President Habib Bourguiba and Prime Minister Mzali. Zhao asked Mzali to convey to President Bourguiba the Chinese people's heartfelt respects, the sincere greetings and best wishes of Chinese leaders and himself, and to the Tunisian people the Chinese people's profound friendship.

Present at the banquet were State Councilors Chen Muhua and Ji Pengfei, Chairman of the reception committee and Minister of Water Resources and Electric Power Qian Zhengying, Minister of Radio and Television Wu Lengxi, Minister for the State Physical Culture and Sports Commission Li Menghua, President of the Red Cross Society of China Qian Xinzhong and members of the prime minister's entourage.

Meets Deng Xiaoping

OW2310931 Beijing XINHUA in English 0914 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, said here today that the development of South-South cooperation could promote a settlement of the North-South issue. Deng made these remarks at a meeting here this morning with Tunisian Prime Minister Mohamed Mzali.

Unless the North-South issue was solved properly, Deng said, the prospects of the developed countries would be dimmed. Deng said that the North-South issue, or the North-South dialogue, had been proposed a long time ago. "However, there is still no sign of a solution," he said. Most of the countries in the South were poor by they had their strong points and could cooperate with and learn from each other, Deng said.

The Third Plenary Session of the 11th Central Committee of the Chinese Communist Party held five years ago, Deng said, adopted the policy of opening to the outside world. In the last three years, this policy had been enriched by the addition of South-South cooperation, i.e., cooperation with other Third World countries, he said.

Mzali said that he had discussed bilateral cooperation with Chinese leaders. "We agree to cooperate in various fields and we believe our cooperation would be a success," he added.

Deng expressed satisfaction with the development of Sino-Tunisian relations since the establishment of diplomatic ties between the two countries. Deng said that Tunisia was playing an important role in the Arab world and Africa. "Arab unity is the key to a solution of the Palestinian issue and opposition to Israeli aggression and expansion," he added.

YANG JINGREN, DELEGATION ARRIVE IN SOMALIA

OW210324 Beijing XINHUA in English 0242 GMT 21 Oct 84

[Text] Mogadishu, October 20 (XINHUA) -- A delegation of the Chinese Communist Party (CPC) headed by Yang Jingren, member of the Central Committee and head of the United Front Work Department of the Central Committee, arrived here today to attend the 15th anniversary of Somalia's October 21 revolution. The delegation was met by Somali Second Vice-President Hussein Kulmie Afrah at the airport.

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Speaking to the press at the airport, Yang Jingren congratulated the Somali people for their achievements in consolidating national independence and developing the national economy and culture in the past 15 years under the leadership of President Siad Barre. He said that his delegation would also take this opportunity to strengthen and develop the relations between the two parties, countries and peoples.

At a meeting with Somali President Siad Barre at the opening of the 8th national fair in the afternoon, Yang Jingren conveyed the warm greetings of Chinese leaders Li Xiannian, Deng Xiaoping, Hu Yaobang and Zhao Ziyang to the Somali president.

Mark Somali Revolution

OW211632 Beijing XINHUA in English 1430 GMT 21 Oct 84

[Text] Mogadishu, October 21 (XINHUA) -- About 50,000 Somalis took part in a parade here today in celebration of the anniversary of the October 21 Revolution in which President Mohamed Siad Barre took office by a military coup 25 years ago.

The Somali president, two Vice-Presidents Mohamed Ali Samantar and Hussein Kulmie Afrah and Cabinet members watched the march past from a platform. People participating in the two-and-a-half-hour parade included farmers, workers, students, soldiers, police and the militia. A dozen British- and Chinese-made jet-fighters participated in a fly-past over the square. Armored cars, tanks, guns and rockets passed by the square to the applause and cheers from the spectators.

The Chinese Communist Party delegation headed by Yang Jingren, member of the party Central Committee, and representatives from diplomatic missions here watched the parade.

The Somali president will give a state banquet in the presidential palace this evening to mark the anniversary celebrations.

NI ZHIFU MEETS KENYAN TRADE UNION LEADERS

OW221356 Beijing XINHUA in English 2151 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met and feted here this evening J. Mulei, general secretary, and P. Mwangi, president, of the Central Organization of Trade Unions of Kenya. Kenyan Ambassador to China J.S. Odanga was present. The Kenyan trade union leaders arrived this morning as guests of the Chinese T.U. Federation.

XI ZHONGXUN MEETS BENIN PARTY DELEGATION

OW221400 Beijing XINHUA in English 1306 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Xi Zhongxun, member of the Political Bureau and member of the Secretariat of the Chinese Communist Party Central Committee, met a delegation from the Benin People's Revolutionary Party here this evening. Xi Zhongxun had a friendly talk with delegation leader Baba Moussa Amidou, member of the Political Bureau and president of the Commission for Organization of the Central Committee of the People's Revolutionary Party.

FURTHER ON MEXICAN FOREIGN SECRETARY'S VISIT

Zhao Ziyang Meets Sepulveda

OW221930 Beijing XINHUA in English 1619 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Chinese Premier Zhao Ziyang spoke of Mexico here today as a very important Third World country playing a major role in Latin-American and international affairs.

"We very much appreciate the foreign policy Mexico pursues," Zhao said at a meeting here this afternoon with Mexico's Foreign Secretary Bernardo Sepulveda Amor and his party. Zhao praised Mexico for its contributions to safeguarding world peace, establishing a new world economic order, promoting North-South dialogue and its unremitting efforts to defend peace in Central America and to reasonably settle the debt problems of Latin-American countries. He said China attached great importance to Mexico's role in world affairs and to Sino-Mexican relations.

"Since China and Mexico established diplomatic relations great progress has been made in politics, economics, culture and technology. There exist great potentials in economic cooperation and trade," Zhao added. "Both China and Mexico", he said, "as developing countries, will, we hope contribute more to South-South cooperation. With our deepening mutual understanding and growing economies there exist broad prospects for economic cooperation between us."

Sepulveda said Mexico valued China's support. He was very pleased to note that China attached great importance to Sino-Mexican relations. "Our present task," he continued, "is to find feasible cooperative projects profitable in the shortest possible time as a foundation for future cooperation."

Zhao Ziyang said: "Our countries have their own strengths and shortcomings." "We should learn from each other and help each other through mutually beneficial and complementary development."

Sepulveda conveyed the greetings of Mexican President Miguel de la Madrid Hurtado to Premier Zhao. Zhao said: "The Chinese Government and people are looking forward to the Mexican president's visit to China next year, and I also expect to meet him again."

Present were Zhu Qizhen, vice-minister of foreign affairs, Li Chao, Chinese ambassador to Mexico, and Mexican Ambassador to China Eugenio Anguiano.

Wu Xueqian, Sepulveda Talk

OW220904 Beijing XINHUA in English 0840 GMT 22 Oct 84

["China Opposes Foreign Interference in Central America -- Wu Xueqian" -- XINHUA headline]

[Text] Beijing, October 22 (XINHUA) -- Foreign Minister Wu Xueqian said today that China supported any proposals opposing foreign interference in Central America and allowing the people there to solve their differences peacefully.

State Councillor Wu said this during talks here today with Mexico's Foreign Secretary Bernardo Sepulveda Amor. It was learned that they exchanged views on international and regional matters and bilateral relations. They have identical or similar views on many issues. Both Wu and Sepulveda said they were pleased with the smooth development of friendship and cooperation between their countries. They also expressed the desire to expand relations further, especially economically.

Sepulveda briefed the Chinese foreign minister on Latin American situation. He said Latin America had suffered badly in the world economic crisis; countries there now realized the importance of strengthening their political and economic relations. Sepulveda said that the meeting of Latin American countries in Mar del Plata proposed a political dialogue between creditor and debtor nations. The Mexican Government was working together with other Latin American countries to this end. He also spoke of the efforts made by the Contadora group for peacefully solving the conflicts in Central America. On bilateral relations, Sepulveda said that Mexico had held frequent high-level talks with China. This reflected the importance Mexico attached to its relations with China. Mexico would concentrate its efforts on developing trade links with China as well as co-operation on economics, science and technology.

Wu said: The Latin American states, when speaking with one voice, would draw due attention from the world community, and from the developed countries in particular. He praised Mexico for having played an important role in easing the tensions in Central America and in its efforts to settle the debt problem faced by the Latin American countries. Wu said Latin America was endowed with rich natural resources, had a fairly good industrial and agricultural base and had developed their own techniques. Provided correct policies were adopted and the debt problem settled, he said, the Latin American countries had a bright future.

Taking part in the talks were Chinese Ambassador to Mexico Li Chao, officials from the Chinese Foreign Ministry and the Ministry of Foreign Economic Relations and Trade. Mexican Ambassador to China Eugenio Anguiano was also present.

Wu Xueqian Fetes Sepulveda

OW221730 Beijing XINHUA in English 1644 GMT 22 Oct 84

[Text] Beijing, October 22 (XINHUA) -- Chinese State Councilor and Foreign Minister Wu Xueqian gave a banquet for visiting Mexican Foreign Secretary Bernardo Sepulveda Amor and his wife and their party at the state guesthouse here this evening.

WU XUEQIAN MEETS MEXICAN TV DELEGATION

LD190216 Beijing XINHUA in English 1254 GMT 18 Oct 84

[Text] Beijing, October 18 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met and had a friendly talk with Romulo O. Farrill, chairman of the Board of Directors of the Televisa S.A. of Mexico, here today.

Present were Chinese Vice-Foreign Minister Zhu Qizhen, Chinese Ambassador to Mexico Li Chao and Mexican Ambassador to China Eugenio Anguiano.

Romulo O. Farrill and his visiting party arrived here yesterday on a friendly visit to China at the invitation of the Ministry of Radio and Television.

The Mexican guests were honored at a banquet given by Wu Lengxi, minister of radio and television, here tonight.

HAN NIANLONG GREETES FORMER MEXICAN PRESIDENT

OW202148 Beijing XINHUA in English 1926 GMT 20 Oct 84

[Text] Beijing, October 20 (XINHUA) -- Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, met and dined former President of the United States of Mexico Luis Echeverria Alvarez.

Echeverria is on a visit to China at the invitation of the institute.

BEIJING SHOWS PRC LEADERS ATTENDING CPC PLENUM

HK221454 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 20 October begins its evening newscast with a 4-minute filmed report on PRC leaders attending the 3d Plenary Session of the 12th CPC Central Committee held on 20 October in the Great Hall of the People of Beijing.

The film opens with a long shot of several hundred people sitting in an auditorium of the Great Hall of the People and attending the plenary session. The camera then cuts to Hu Yaobang, who is sitting on the rostrum and addressing the session. This is followed by individual close-up shots of Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun sitting on the rostrum. These five men on the rostrum are identified by the announcer as Standing Committee members of the Political Bureau of the CPC Central Committee. No other participants are named by the announcer and no other leaders are seen sitting on the rostrum throughout the film. The next shot shows Deng Xiaoping sitting at the center of a long table on the rostrum. During this shot, Hu Yaobang is sitting to Deng's left, Zhao Ziyang is sitting to Deng's right, Li Xiannian is sitting to Hu's left, and Chen Yun is sitting to Zhao's right. The announcer says during this shot that "Comrade Ye Jianying is absent due to illness."

The camera then cuts to show the center section of the auditorium. The following leaders, who are not named by the announcer, are visible sitting in the front row of this section as the camera pans from the aisle seat on the left to the right: Deng Yingchao, Wan Li, Wang Zhen, Fang Yi, Yang Shangkun in PLA uniform, Yu Qiuli in PLA uniform, Zhang Tingfa in PLA uniform, and Ni Zhifu. Next, Hu Yaobang is shown on the rostrum and is heard saying: "Those who are in favor of [words indistinct], please raise your hands." The participants, including Hu, are seen raising their hands to "unanimously adopt the CPC Central Committee's decision on reform of the economic structure," according to the announcer. While the announcer is heard summarizing this decision, the camera cuts away to give medium pan shots of the following leaders, not named by the announcer, sitting in a row in a section of the auditorium: Peng Zhen, Xu Xiangqian, Ulanhu, Xi Zhongxun, Wei Guoqing, Li Desheng in PLA uniform, Yang Dezhi in PLA uniform, Song Renqiong, and Hu Qiaomu. The camera immediately cuts away to another medium pan shot of another group of leaders, also not named by the announcer, sitting in the row behind Peng Zhen and the other aforementioned leaders. From right to left, these are: Hao Jianxiu, Hu Qili, Gu Mu, Chen Muhua, and Yao Yilin. The camera then cuts to the following leaders not named by the announcer, sitting in the second row in the auditorium: Qiao Shi, Chen Pixian, Deng Liqun, and Qin Jiwei in PLA uniform. Wang Zhaoguo, though not named by the announcer, is later seen sitting in a row with some unidentifiable participants. This is followed by several shots of the five Political Bureau Standing Committee members on the rostrum and participants in the auditorium applauding. Next on the film is another show of hands, which "unanimously" adopts the plenary session's decision on the convocation of a national conference of party delegates, according to the announcer.

While the announcer is heard summarizing this second decision, the camera pans to the following leaders, whose names are not mentioned by the announcer, sitting in a row in the auditorium: Bo Yibo, Xu Shiyu in PLA uniform, Wang Ping, Wang Shoudao, Wu Xiuquan in PLA uniform, Liu Lantao, Jiang Hua (wearing sunglasses), an unidentifiable man, Xiao Ke, and another unidentifiable man. During this pan shot, the following leaders, whose names are not mentioned by the announcer, are shown sitting behind Bo Yibo and other aforementioned leaders: He Changgong, an unidentifiable man, Lu Dingyi, Chen Xilian (wearing sunglasses), Duan Junyi, Geng Biao, Ji Pengfei, an unidentifiable man, Cheng Zihua, and another unidentifiable man.

After these pan shots, the five Political Bureau Standing Committee members and other participants are shown raising their hands once again to "adopt" the plenary session's communique, according to the announcer. Next, while the announcer is heard summarizing the communique, the film gives medium and long shots of the participants sitting in the auditorium. After that, the film ends with medium and long shots of the five Standing Committee members and other participants applauding.

RENMIN RIBAO EDITORIAL ON CPC REFORM DECISION

HK221248 Beijing RENMIN RIBAO in Chinese 22 Oct 84 p 1

[Editorial: "Win All-Round Victory in Reform With Full Confidence"]

[Text] The 3d Plenary Session of the 11th CPC Central Committee held in December 1978 was a great success. The 3d Plenary Session of the 12th CPC Central Committee held 5 years and 10 months later adopted the "Decision of the CPC Central Committee on Reform of the Economic Structure" and the "Decision of the 3d Plenary Session of the 12th CPC Central Committee on the Convocation of a National Conference of Party Delegates." It was also a great success. Practice will prove that, like the 3d plenary session of the 11th CPC Central Committee, this 3d plenary session will also be a meeting of great significance in the history of our party and of far-reaching influence on the future of our state.

The great historic turning point of our party and state since the founding of the PRC began with the 3d Plenary Session of the 11th CPC Central Committee. The meeting reestablished the Marxist ideological, political, and organizational line, decided to shift the focus of the work of the whole party to socialist modernization, and stressed the task of restructuring the economy. After the meeting, the reform, which was chiefly carried out in the rural areas, yielded quite notable results. Over the past few years, great changes have taken place in the rural areas. With all trades and industries flourishing, there is a new atmosphere in the rural areas. The changes in the rural areas have forcefully proved: Only by resolutely reforming the economic structure which does not suit the development of the productive forces is it possible to invigorate the economy, to develop production, to make the people rich, and to bring about a prosperous state.

The task confronting us now is to quicken the pace of reforming the entire economic structure focusing on the cities while continuing to carry out the rural reform in a thorough way. Cities play a dominant role in the modernization program. If the reform of the urban economic structure fails to keep pace with the situation, it will not only obstruct the continuous advance of the rural areas but also affect the development of the economy as a whole and the achievement of the objective of quadrupling the gross value of industrial and agricultural production by the end of this century as set forth by the 12th CPC National Congress. Resolutely and systematically carrying out reform of the entire economic structure focusing on the cities is urgently required by the development of our current situation. The recent meeting indicates a new situation in which the reform has developed from the rural areas to the cities and the entire economic field. If we compare the reform of the economic structure to a long article whose topic was fixed at the 3d Plenary Session of the 11th CPC Central Committee, the first half of the article has, on the whole, been finished now. This third plenary session has determined the plot of the second half of the article in specific terms and, after several years' of hard work, a brilliant article will be completed.

The decision on the reform of the economic structure adopted at the recent meeting has not only shown a blueprint of all-round reform to the whole party and the people throughout the country, but also put forward systematic proposals and measures for the various aspects and links of the urban reform, setting forth this immense and complicated project in concrete terms. The implementation of this decision will coordinate not only the rural reform with the urban one but also the various aspects of urban reform in a unified direction. This is an important guarantee for carrying out all-round reform.

The "decision" approved at the recent meeting was made on the basis of profoundly summing up our experiences, both positive and negative, in economic construction in the past 30-odd years, particularly the experiences in the urban and rural economic reform in recent years. It was made on the basis of conscientiously studying the actual situation of our economy and the needs of its development and of using the experience of other countries for a reference. There is a red thread running through the decision, that is, seeking truth from facts. While engaged in the socialist modernization program and carrying out reform of the economic structure or other reforms, we must proceed from the actual situation in our country. Our basic principle is to integrate the universal truth of Marxism with the actual situation in China and to follow our own path.

The "decision" adopted at the recent meeting shows that our party's understanding of the national conditions and the laws governing socialist economic construction has reached new heights. On numerous issues, particularly on such major issues as the commodity economy and the law of value, the "decision" has shaken off the fetters of "leftist" ideas, broken free from old traditional concepts, discarded regulations which have been regarded as orthodox for a long time, and clarified the confused ideas of many people. In the past, at the mention of the commodity economy, some comrades tended to regard it as identical to capitalism and, therefore, dared not develop commodity production and exchanges. Sometimes we also noted the necessity of attaching importance to the law of value, regarding it as a big school. However, we did not genuinely understand this issue, which was in fact tantamount to looking down upon and even ignoring this objective law. Now, we have come to realize that the socialist planned economy must consciously go by and apply the law of value and that it is a planned commodity economy based on public ownership. Enterprises must be full of vitality. This should be a special feature of Chinese-style socialism. If we carry out reform in the direction indicated in the decision, the economic structure we shall create will be diametrically opposite to the capitalist pattern and it will also be vastly different from a certain rigid socialist pattern. It will be a socialist economic structure with both Chinese characteristics and vitality.

Of these two above-mentioned plenary sessions of the CPC Central Committee, the former enabled the reform to make the first breakthrough in the rural areas and the most recent will enable urban reform and reform of the entire economic structure to make a big breakthrough. This is our great ideal and our strategic plan. Urban reform includes not only industry, commerce, and the service trades but also scientific and technological, educational, cultural, and other departments. Compared with rural reform, urban reform is more extensive in scale and more complicated in content. But with our excellent political and economic situation at present and our successful experiences in rural reform, we are in a golden age of reform. We have all the necessary conditions to do a good job in urban reform and we have confidence in carrying out urban reform well. Rural reform yielded remarkable results in 3 years and urban reform and the reform of the entire economic structure will also yield remarkable results in 3-5 years. By that time, China's economy will leap forward more forcefully.

Our hope lies in reform, which enjoys popular support. The Chinese Communists have always been promoters of reform. Let us hail the new achievements of the 3d Plenary Session of the 12th CPC Central Committee and energetically join in the great undertaking, which will benefit our posterity, with greater courage and wisdom and with the broad masses!

JIEFANGJUN BAO EDITORIAL VIEWS PLENUM DECISION

OW221657 Beijing Domestic Service in Mandarin 0200 GMT 22 Oct 84

[Text] JIEFANGJUN BAO on 22 October publishes an editorial entitled "Another Important Milestone."

The editorial says: The 3d Plenary Session of the 12th CPC Central Committee is another extremely important meeting following the 3d Plenary Session of the 11th CPC Central Committee. It is a new milestone in China's socialist development.

In the 35 years since the founding of the country, we have scored tremendous achievements in our socialist construction; however, various maladies in the economic structure have seriously hampered our bringing into full play the superiority of the socialist system. If we do not speed up reform of the national economic structure focusing on urban reform, it will be impossible to cope with the needs of the policy of enlivening the domestic economy and opening to the outside world, with the urgent demands on urban economic development as a result of the continuous upsurge of the rural economy, and with the opportunity and challenge presented by the new world technological revolution.

The editorial says: Reform of the economic structure is a great but arduous creative engineering work which involves all fields, concerns the country's modernization drive as well as the modernization of the Army, and affects hundreds of millions of households, including every cadre and fighter of the Army. This is an important matter for the whole party, the people of the whole country, and the whole Army. All Army commanders and fighters must diligently study and publicize the decisions, steadfastly endorse and support reform, and make every effort to win an all-round victory of reform.

CHINA DAILY COMMENTATOR ON 'LANDMARK' CPC PLENUM

HK230155 Beijing CHINA DAILY in English 23 Oct 84 p 4

["Opinion" by CHINA DAILY commentator: "A New Landmark"]

[Text] The decision on reforming economic structure, adopted by the Twelfth Central Committee of the Communist Party of China at its Third Plenary Session last Saturday, is another landmark in the Chinese people's endeavour to build a socialist society with Chinese characteristics.

This plenary session and its results had been eagerly awaited by people at home and abroad. The Chinese people wanted to know the scope and extent of the planned reforms and how these might affect their lives. The outside world watched to see the direction of Chinese economic development and the possibilities that would be offered for trade and investment.

The task of economic reform in a big country like China is so vast and complex that the Central Committee did not attempt hastily to spell out all the details. Rather, they wisely decided to draw up a programme of action, outlining the necessity and urgency of speeding up the reform of the entire economic structure with the focus on urban economy, chart the orientation of the reform, define its nature and tasks and lay down the basic principles.

The document is characterized by realism, boldness and practicality.

Decision

If the 1 billion Chinese people is to work in unison toward building a dynamic socialist economic structure, there must first be a realistic summation of past experience, including achievements and setbacks, strong points and weaknesses. It is in this spirit that major defects of rigidity in the current economic structure were clearly analysed, leading to the conclusion that the superiority of the socialist system has yet to be brought into full play.

The decision acknowledged that the problem of over-concentration has become more and more serious, that earlier attempts to delegate power to lower levels had been limited to a reapportioning of administrative power between central and local authorities, and that the critical issue of giving enterprises decision-making power had not been dealt with.

While realism is needed to identify the problem, boldness is called for to tackle it. What needs to be done is not merely to issue an edict, endowing enterprises with more say in running their business. A whole series of interrelated administrative, economic and educational measures would have to be taken to make it work. These include planning, pricing, economic management by State institutions and the labour and wage system. Moreover, a new generation of cadres and managerial personnel will have to be trained to guide the socialist economy through a combination of planning and various means of exercising economic leverage.

Income

The wide-ranging character of this series of reforms means that every family and every individual will be affected. A practical approach is to couple boldness with prudence. The decision states that the reform must be carried out under Party and government leadership in a planned, systematic and methodical way. Party and government functionaries at all levels have been called upon to be sober-minded, to seek truth from facts and proceed from reality, and to implement Party policies creatively, keeping in mind the particularities of their respective localities.

Special attention has been paid to ensuring that the real income of the people in the cities and the countryside will not be reduced as a result of price readjustment. Instead a gradual rise in pay is expected.

If the creativity of the Chinese nation is fully tapped through this comprehensive economic reform, the fundamental objective of building a socialist economic structure with Chinese characteristics that is full of vitality will be realized over time. A strong and prosperous China will surely emerge.

DENG XIAOPING ADDRESSES ADVISORY COMMISSION PLENUM

OW230926 Beijing XINHUA Domestic Service in Chinese 0827 GMT 23 Oct 84

[Text] Beijing, 23 Oct (XINHUA) -- A communique issued by the Third Plenary Meeting of the Central Advisory Commission of the Communist Party of China on 23 October 1984:

The Third Plenary Meeting of the Central Advisory Commission of the Communist Party of China was held in Beijing on 22 and 23 October 1984.

Comrade Deng Xiaoping, member of the Standing Committee of the Central Political Bureau and chairman of the Central Advisory Commission, attended the meeting and delivered an important speech.

All the members of the commission present unanimously supported the "Decision of the CPC Central Committee on Reform of the Economic Structure" made by the 3d Plenary Session of the 12th CPC Central Committee. They pledged to study seriously this programmatic document which guides the reform of China's economic structure, and to join the whole party and the people of the whole country in striving for an all-round victory in the reform.

All the members of the commission present unanimously supported the decision made by the 3d Plenary Session of the 12th CPC Central Committee on convocation of a national conference of party delegates.

The plenary meeting discussed the work of the Central Advisory Commission and unanimously approved the "Work Report Submitted to the Central Committee by the Standing Committee of the Central Advisory Commission."

The meeting was presided over by Comrades Bo Yibo and Xu Shiyu, vice chairmen of the Central Advisory Commission.

CPC, DEMOCRATIC PARTY LEADERS VIEW ECONOMIC REFORM

ON220222 Beijing XINHUA Domestic Service in Chinese 0730 GMT 21 Oct 84

[Text] Beijing, 21 Oct (XINHUA) -- From 12 through 19 October, the CPC Central Committee sponsored a meeting for the leading members of various democratic parties and the All-China Federation of Industry and Commerce, democrats without party affiliation, and other well-known personages, and heard their opinions about the draft decision on reforming the economic structure -- a draft decision to be discussed and adopted by the 3d Plenary Session of the 12th CPC Central Committee.

Hu Yaobang, general secretary of the CPC Central Committee, attended the meeting on two occasions and made a speech.

At the request of the CPC Central Committee, Deng Yingchao; Xi Zhongxun; Hu Qili; Wang Zhaoguo, director of the General Office of the CPC Central Committee; and Yang Jingren, head of the United Front Work Department of the CPC Central Committee; attended the meeting. Comrade Xi Zhongxun chaired three plenary sessions of the meeting.

Speaking at the first plenary session of the meeting on the afternoon of 12 October, Comrade Deng Yingchao urged all the attendants to discuss the draft decision seriously, speak without any inhibition, and put forward their opinions on revising the draft decision. On behalf of the decision drafting group, Lin Jianning briefed the attendants on how the decision was drafted. He also explained certain parts of the draft decision.

From 13 through 15 October, the meeting broke into groups to discuss the draft decision. During those several days, everybody spoke enthusiastically and without reserve in airing their opinions on the draft decision.

During the plenary session of the meeting on the morning of 16 October, Hu Yaobang, after hearing the views of the leading members of various democratic parties and the All-China Federation of Industry and Commerce, democrats without party affiliation, and other well-known personages on the draft decision, told the attendants that the 3d Plenary Session of the 12th CPC Central Committee had decided to hold a national conference of party delegates next year. Addressing the plenary session on 16 October were Xu Deheng, chairman of the Jiusan Society Central Committee; Zhou Gucheng, vice chairman of the Central Committee of the Chinese Peasants and Workers Democratic Party; Zhu Xuegan, vice chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang; Hu Yuzhi, vice chairman of the Central Committee of the China Democratic League; Banqen Erdini Qoigyil Gyancan, vice chairman of the NPC Standing

Committee and honorary president of the Buddhist Association of China; Hu Ziang, chairman of the All-China Federation of Industry and Commerce; Zhao Puchu, vice chairman of the Central Committee of the China Association for Promoting Democracy and president of the Buddhist Association of China; Sun Xiaocun, vice chairman of the Central Committee of the China Democratic National Construction Association; Huang Dingchen, chairman of the Central Committee of the China Zhi Gong Dang and vice chairman of the All-China Federation of Returned Overseas Chinese; Su Ziheng, chairman of the General Office of the Taiwan Democratic Self-Government League; and Cheng Siyuan, a democrat with no party affiliation. Lin Liyun, president of the All-China Federation of Taiwan Compatriots and vice president of the All-China Women's Federation, submitted her written speech to the meeting. In their speeches, they all maintained that the meeting sponsored by the CPC Central Committee to hear their opinions about the draft decision on reforming the economic structure reflected the CPC's confidence in democratic parties, personages without party affiliation, and people of all circles, and fully demonstrated the spirit of political consultation and socialist democracy, as well as the CPC's spirit of treating all democratic parties and democrats without party affiliation with all sincerity and sharing weal or woe with them.

They all endorsed and supported the CPC Central Committee's policy decision to reform the entire economic structure, with cities as the focal point. They said that the draft decision, which has thoroughly summed up China's experiences in carrying out economic construction since its founding, as well as its experiences in carrying out reforms in town and country in recent years, has provided answers, both theoretical and practical, for a series of important issues; fully reflected the common aspirations of the whole party and the people of all nationalities throughout the country; and reflected the objective need of the nation's four modernizations and the development of other practical work. They maintained that, after it has been discussed at the 3d Plenary Session of the 12th CPC Central Committee, the document certainly will become a programmatic document guiding the reform of the nation's economic structure, and will bring about a new leap forward in the nation's economic development, thus giving a powerful impetus to the realization of the general tasks and goals set forth by the 12th party congress.

Certain attendees maintained that while science and technology are the key to achieving the four modernizations, education is the foundation. They said that in the process of reforming the economic structure, reform of the scientific, technological, and educational institutions should be placed on the agenda. Some attendees said that to lay a good foundation for training qualified personnel, great attention must be given to education in nurseries, kindergartens, primary and secondary schools. Some other attendees pointed out that attention must also be directed toward the reform of the economic structure in areas inhabited by national minorities.

The attendees also indicated that since a big mountain can be removed when people exert concerted efforts, they certainly will, in the course of reforming the economic structure, rally closely around the CPC, work with one heart and one mind, stand on the forefront of reform, and contribute their wisdom and intelligence to the four modernizations.

Comrade Hu Yaobang made an important speech at the plenary session of the meeting on the morning of 19 October.

Attending the meeting were: leading members of various democratic parties and the All-China Federation of Industry and Commerce, including Wang Kunlun, Qu Wu, Qian Changzhao, Zheng Dongguo, Jia Yibin, Hou Jingru, Sun Yueqi, Peng Qingyuan, Li Ganliu, Chu Tunan, Sa Konglaio, Li Wenyi, Fei Xiaotong, Wen Jiasi, Gao Tian, Ye Duiyi, Tao Dayong, Xu Dixin, Pu Jiexiu, Huang Daneng, Jiang Daning, Ye Shengtao, Chen Shunli, Ge Zhicheng, Ji Fang, Yan Xinmin, Lu Jiayi, Fang Rongxin, Xu Zhimeng, Lu Rongshu, Zhou Peiyuan, Pan Shu, Mao Yiseng, Yan Jici, Jin Shanbao, Sun Chengpei, Hao Yichun, Zhao Weizhi, Li Chunqing, Tian Fuda, Qian Fuxing, Lin Shengzhong, Xu Mengshan, Luo Shuzhang, Gu Gengyu, Zhang Jingli, Huang Liangchen, Sun Fuling, Fan Taozhai; Miao Yuntai, a democrat without party affiliation; well-known personages Ngapoi Ngawang-Jigme, Seypidin, Liu Lantao, Cheng Zihua, Kang Keqing, Dong Qiwu, Xiao Hua, Burhan Shahidi, Aisin Giorro Pujie, Ma Bi, Hong Sisi, Zhuang Mingli, Liang Shuming, Yi Lirong, Wang Li, Zhao Junmai, Cheng Yuan, Qian Duansheng, Zhao Zhongyao, An Shiwei, Zheng Jian; and leading members of the United Front Work Department of the CPC Central Committee Ping Jiesan, Li Gui and Jiang Ping.

52 CITIES CONDUCT EXPERIMENTAL ECONOMIC REFORM

HK220736 Beijing GUANGMING RIBAO in Chinese 16 Oct 84 p 1

[Report: "Experimental Comprehensive Reform of the Urban Economic System Is Being Carried Out in 52 Cities"]

[Text] Our reporter has learned from the department concerned that experimental comprehensive reform of the urban economic system is being extensively carried out in our country. By the end of September experimental reform was being carried out in 52 cities throughout the country. The list is as follows:

Shijiazhuang, Handan, Tangshan, and Qinhuangdao in Hebei Province;
Taiyuan in Shanxi Province;
Shenyang, Dalian, and Dantong in Liaoning Province;
Changchun and Siping in Jilin Province;
Harbin and Mudanjiang in Heilongjiang Province;
Nanjing and Changzhou in Jiangsu Province;
Hangzhou, Huzhou, Ningbo, and Wenzhou in Zhejiang Province;
Hefei and Bengbu in Anhui Province;
Jingdezhen and Pingxiang in Jiangxi Province;
Fuzhou, Saming, Quanzhou, and Xiamen in Fujian Province;
Jinan and Weifang in Shandong Province;
Anyang, Kaifeng, and Luohe in Henan Province;
Wuhan and Shashi in Hubei Province;
Changsha and Hengyang in Hunan Province;
Guangzhou, Foshan, Jiangmen, and Zhanjiang in Guangdong Province;
Nanning and Liuzhou in Guangxi Zhuang Autonomous Region;
Chengdu and Chongqing in Sichuan Province;
Guiyang, Zunyi, and Duiyun in Guizhou Province;
Kunming in Yunnan Province;
Xi'an in Shaanxi Province;
Lanzhou and Tianshui of Gansu Province;
Yinchuan of Ningxia Hui Autonomous Region;
and Xining in Qinghai Province.

Of the cities carrying out experimental reform, 21 are provincial or regional capitals and 8 are coastal cities opening to the outside world, namely, Dalian, Qinhuangdao, Ningbo, Wenzhou, Xiamen, Fuzhou, Guangzhou, and Zhanjiang.

COMMENTARY ON SUBSTITUTING TAXES FOR PROFITS

HK220648 Beijing JINGJI GUANLI in Chinese No 9, 5 Sep 84 pp 15-17

["Short Commentary" by He Zhen: "Substituting Paying Taxes for Delivery of Profits -- a Key Step in Speeding Up the Reform of the Urban Economy"]

[Text] The State Council has determined that from the fourth quarter of this year, we will implement the second step in the reform of substituting paying taxes for delivering profits. From a situation where paying taxes and delivering profits exist together, there will be a gradual transition to where paying taxes will completely replace delivering profits. That is, the financial revenue which should be handed over to the state by state-owned enterprises will be paid separately to the state as relevant taxes. After the taxes are paid, the remaining profits will be left with the enterprises for their own use. This second step in the reform to substitute paying taxes for delivering profits is an important component part of urban economic reform. At present, in urban economic reform, many crucial questions cannot be resolved well by the system where paying taxes and delivering profits exist together. If we do not proceed with the greatest speed to complete substitution of paying taxes for delivering profits, and thereby change the situation where paying taxes and delivering profits exist together, then there will be no way to smoothly carry out urban economic reform.

In implementing the second step in the reform to substitute paying taxes for delivering profits the transition to complete substitution of paying taxes for delivering profits is not merely a great reform of the financial and taxation systems. It is a measure of strategic significance relating to the whole situation of urban economic reform. It has great significance in speeding the four modernizations of our nation and in establishing a socialist economic management system with Chinese characteristics.

First, by implementing complete substitution of paying taxes for delivering profits, and changing the situation where paying taxes and delivering profits exist together, we can further resolve the problem of enterprises eating from "the big pot" of the state. It will also be beneficial to the reforms of implementing bonuses with no ceilings and other means of expanding the autonomy of enterprises. When paying taxes and delivering profits exist together, the handing over by an enterprise of profits to the state has as a prerequisite the realization of profit by the enterprise. When the enterprise makes profits, it has the responsibility of handing them over to the state. If there are no profits, there is no responsibility. If losses are incurred, not only is nothing handed over to the state, but the state has to give the enterprise a subsidy. This method, which requires units that perform well to hand over more and those that perform poorly to hand over nothing, is in itself "a big pot." In order to resolve well the distribution relationship between the state and enterprises, we have carried out diversified pilot projects in reform over the last few years. Practice has proved that for state-owned enterprises, the substitution of paying taxes for delivering profits has more advantages than other methods. This is because taxation is a method highly conducive to collecting finances. The enterprises, when carrying out their production and operating activities, only have to pay taxes within the tax payment limits stipulated by the tax laws. They pay taxes to the state according to the law, at fixed times, and in specified amounts. Thus the substitution of paying taxes for delivering profits, so that taxation is the sole means of regulating the distribution relationship between enterprises and the state, can cause the enterprises to become completely responsible for profits and losses.

This will effectively resolve the problem of the enterprise eating from "the big pot" of the state. After the enterprises become responsible for profits and losses, the amount of worker's wages and bonuses can only be changed by the amount of post-tax profits, if any, after the enterprise, the system of bonuses "having no ceiling and no lower limit" can be used to bring about conditions that ensure that workers do not eat from "the big pot."

Second, the complete substitution of paying taxes for delivering profits will be beneficial to further enlivening circulation and fully bringing into play the role of the cities as economic centers. The present financial system delimits revenues and expenditures on the basis of the administrative jurisdictional relationships of the enterprises and undertakings. This method of delimiting revenues and expenditures actually strengthens "local ownership" and "departmental ownership" and encourages maladies such as blockades between localities and the setting up of barriers. It hinders crosswise economic relationships and is not beneficial to smashing the restrictions which separate administrative divisions and departments. It also disregards the demands of large-scale socialized production in organizing production and circulation. When the second step in the reform of substituting paying taxes for delivering profits is instituted, the enterprises will not be subordinate to anybody. They will all pay taxes according to the law and, on an equal footing, pay taxes to the local and central authorities. It will thus be possible to implement a system of dividing taxes on the basis of the financial relationships between the local and the central authorities. We will thereby overcome the drawbacks of the current financial system, strengthen horizontal economic relationships and further enliven circulation.

Third, the complete substitution of paying taxes for delivering profits will be beneficial to the separation of government and enterprises and will further allow the enterprises to go all out. In the situation where paying taxes and delivering profits exist together, the enterprises must, on the basis of administrative jurisdictional relationships, hand over profits.

The economic benefits for the locality and department are closely related to the profits realized by an enterprise. The localities and departments look at things in terms of their own economic benefits and thus they often interfere excessively and unnecessarily in the production and operations of an enterprise. They hinder the enterprise in carrying out its independent, autonomous production operations. However, after the complete substitution of paying taxes for delivering profits, the enterprises will no longer have to hand over profits to the localities and departments to which they are subordinate. The various levels of administrative management departments will stand apart from the enterprises. This will provide conditions for simplifying administration and the devolution of power, the carrying out of the separation of the government and enterprises, and the further enlivening of the enterprises.

Fourth, the complete substitution of paying taxes for delivering profits will be beneficial to bringing into play the regulatory role of the economic lever of taxation. While enlivening the microeconomy, it will also strengthen control over the microeconomy. Several years of practice in economic reform have proved that if we want to fully arouse the enthusiasm of enterprises, enliven the microeconomy, and raise economic results, then we must expand the autonomy of enterprises, carry out the separation of government and enterprises, and reduce the unnecessary, excessive interference in enterprises by administrative departments at various levels. However, enlivening the microeconomy does not mean loosening macroeconomic control. On the contrary, in order to guarantee the development of social reproduction in a well-coordinated way, the more we wish to enliven the microeconomy, the more we need to implement macroeconomic control and adjustment.

This requires that we use economic measures to control the economy and fully draw support from the regulatory roles of economic levers. After the complete substitution of paying taxes for delivering profits, the distribution of paying taxes for delivering profits, the distribution relationship between the state and the enterprises will be stabilized. The state will be able, by raising or reducing tax rates, to play a role in encouraging or restricting production and circulation. The enterprises will no longer be able to squeeze out the interests of the state in protecting their own interests. The enterprises, in order to obtain more benefits, will have to organize production and operations in accordance with the direction of state plans indicated by economic levers and the market needs. In this way, the enterprises will be enlivened and effective macroeconomic control will be achieved.

Fifth, the complete substitution of paying taxes for delivering profits will also be beneficial to bringing about competition between enterprises. Bringing about competition is an important economic management means of encouraging the advanced and spurring the backward. It can increase the external economic driving force and internal economic incentive of an enterprise to improve its economic management and raise economic results. However, there is a prerequisite for bringing about competition. That prerequisite is getting rid of the external factors which influence the economic results of the enterprise. When paying taxes and delivering profits exist together, and the distribution relationship between the state and the enterprises is not stable, there is no way to provide this prerequisite. Only after the complete substitution of paying taxes for delivering profits, by utilizing the regulatory role of the tax lever and selecting taxes with specific aims, can the extra income or additional losses incurred by an enterprise due to external causes be regulated.

The scheme for implementing the second step in the reform of substituting paying taxes for delivering profits stipulates 11 types of taxes. They are: product taxes, value-added taxes, transaction taxes, salt taxes, resources taxes, property taxes, land-use taxes, vehicle and boat-use taxes, urban construction maintenance taxes, state enterprises income taxes, and regulatory taxes, which will be levied on some enterprises to different degrees after the levying of income taxes. The regulatory taxes are special taxes which will be levied in specific cases at specific rates. We should recognize that both in theory and produce, regulatory taxes have some inadequacies in realizing the aims of substituting paying taxes for delivering profits. However, at present, given that our national economy is still at a stage of readjustment and the price system has not yet been reformed, there is a great disparity in the level of profits between different state-owned enterprises. If we do not establish regulatory taxes, and only use income taxes to regulate the final level of profits left with the enterprises, this will undoubtedly result in the retention of excessive profits by enterprises which make large profits and will affect state financial revenues. It may also give rise to many loss-making enterprises. In the present national financial situation where difficulties still exist, regardless of which of the above-mentioned situations comes about, it will be disadvantageous.

Thus, in order to implement the second step in the reform of substituting paying taxes for delivering profits, the state must, within the limits allowed by objective conditions, adopt flexible measures and begin to levy regulatory taxes on enterprises which make large profits. The regulatory taxes may bring destabilizing factors to the distribution relationship between the state and the enterprises, and influence the bringing into play of the role of the economic lever of taxation. However, as the number of enterprises where it will be necessary to levy these regulatory taxes is not great, the effect will be limited.

This is particularly due to the implementation program which stipulates that measures will not change for 7 years. We can thus take our time in resolving the shortcomings of the regulatory taxes. We believe that a feasible way to avoid missing the opportunity for reform is to speed the pace of urban economic reform, establish regulatory taxes, and adopt appropriate measures. As for the shortcomings of the program, they can be gradually resolved when the conditions become ripe.

In regulating the distribution relationship between the state and the enterprises, will we be able to protect the vested interests of the enterprises? This is a question which concerns many comrades. We believe that, as the aim of reform is to arouse the enthusiasm of the enterprises and workers, of course we must consider the rational interests of the enterprises. The interests which the enterprises have already accrued and which accord with regulations must naturally be protected. However, we must concretely analyze the vested interest. So-called vested interests have been formed by history. There are some which are rational and some which are not. As to the origin of the vested interests, some have been obtained through subjective efforts, through reforming economic management and raising economic results. They have been obtained through making great contributions to society. Others have been produced by factors external to the enterprise, for example by depending on bountiful natural resources, excessively high sales prices, and so on. As to the former, of course they should be retained, and in the reform it will definitely be possible to retain them. However, as to the latter, it will be necessary to carry out appropriate adjustments. If we do not differentiate between them on the basis of the specific situation, and just retain them all, nothing will be changed and there will be no readjustment of those irrationally retained interests (be they many or few). We would then be unable to speak of reform. If this happens, efforts to eliminate unfairness and resolve the problem of eating from "the big pot" will fail. In the socialist system, the principle of material interests is that they are realized through distribution according to work. Obtaining material interests has as a prerequisite the making of appropriate contributions to the society or the collective. Whether an enterprise obtains great or small interests is determined by whether its contribution to the society is large or small. The idea and actions of indiscriminately protecting all vested interests violates the socialist principle of material interests. When researching and implementing the second step in the reform program of substituting paying taxes for delivering profits, enterprises and their higher level administrative departments should not only look at things in terms of yesterday's and today's vested interests. They should see things in terms of tomorrow. They must guarantee the stable growth of state financial revenues and must ensure that there are financial guarantees for the management and development of the enterprise's operations. This will give the enterprise great stamina. The implementation program stipulates that in any year, a 70 percent reduction in regulatory tax may be extended to that part of the increase in the actual taxable income of enterprises that exceeds the approved base period profits. It is based on the above consideration that the method of reduction is to be worked out in accordance with a definite ratio instead of a linked ratio [huan bi 3883 3024] and once fixed will not be changed for 7 years. Due to historical reasons, the development of various areas of our country is uneven at present. In the implementation of the program, appropriate consideration will be given to those regions and enterprises where economic results are not so good, so as to urge them to enthusiastically catch up with the advanced. In brief, as regards the question of vested interests, we can only adopt a correct attitude by proceeding from the overall interests.

JINGJI GUANLI EXAMINES DIRECTION OF WAGE REFORM

HK220808 Beijing JINGJI GUANLI in Chinese No 9, 5 Sep 84 pp 22-24, 33

[Article by Me Shuben: "On the Direction of Wage Reform"]

[Text] Issue No 2 of JINGJI GUANLI raised and probed the question "How do we reform our nation's wage system"? This was beneficial to implementing the principles of "distribution according to work," to bringing into play the role of wages as an economic lever, to improving economic results, to promoting the four modernizations, and to gradually improving the people's material and cultural lives. In the past there has been too little public inquiry into the question of wage reform. Such inquiry should be promoted and gone into deeply. Below a few views on the direction of wage reform are discussed.

1. The Relationship Between the General Direction of Wage Reform and the Direction of Separate Reforms

Wage reform is a component part of a series of economic reforms. Wages affect the material and cultural living standards of hundreds of millions of workers and their families. Wage reform has strong policy implications and whether it is handled well or poorly influences the pace of production and economic construction. Thus the direction of wage reform must primarily be clear and precise. In March 1978, Comrade Deng Xiaoping pointed out: "We must persist in the socialist principle of distribution according to work. Distribution according to work means carrying out distribution in accordance with the amount and quality of work done." I believe that this is the direction for our wage reform. This also accords with Marx' and Engels' ideology in stipulating that "distribution according to work" is a basic characteristic and distribution method of socialism. Is floating wages the direction of wage reform? This still cannot be generally affirmed. Of course, taking floating wages as the general direction of wage reform would be insufficiently comprehensive. But as a part of the reform of wages, floating wages cannot be easily denied. After we have a general direction for wage reform, the main content of the reform must include three aspects: the level of wages, the wage system, and the wage management system. When implementing "distribution according to work" as the general direction of reform, these three aspects should each have their own direction of reform. At the same time, they are mutually related and complementary. Together, they form an entity based on the principle of "distribution according to work."

The level of wages means the average wage. It is a criterion for assessing the implementation of the policy of gradually improving the lives of the workers on the basis of developing production and raising the labor productivity rate. It is also a yardstick for assessing the implementation of the principle of distribution according to work. A good plan for reforming the wage system must ensure an increase in the level of wages. In 1956, a national reform of the wage system was carried out. Afterwards, because the national economy developed but wages basically did not change, the level of wages became increasingly divorced from the actual situation. If we compare 1977 with 1957, we find that the average wages of workers in units owned by the whole people not only did not rise, but actually fell 5.5 percent. This fully shows the seriousness of the wage system's failing to guarantee the level of wages.

The wage system is composed of wage forms such as standard wages, piece-rate wages, bonus wages, the subsidy system, and so on. It is a labor distribution system with a system of promotion as its hub. In the "Great Leap Forward" and the "Cultural Revolution," the principle of distribution according to work was twice negated. This caused the various wage systems and standards to become divorced from the results of enterprise operations.

The wages of the workers were divorced from their labor contribution. This created a situation where enterprises ate from "the big pot" of the state and workers ate from "the big pot" of the enterprises.

The wage management system is an important means for achieving the normal growth of the level of wages and effectively implementing the wage system. Because the state implements a highly centralized wage management system, adopts a method of promoting people in a unified way according to rigid conventions, and directly distributes wages to individual workers, the responsibility, power, and interests of enterprises are separated and wages are not closely related to workers' contribution in work. An egalitarian practice which makes no distinction between those who do more work and those who do less, between those who do a good job and those who do a poor one, and between those who work and those who do not, has come into being.

This has not only dampened the enthusiasm of the enterprises and the workers, but has obstructed the rationalization of the wage system and the normal growth in wage levels. In order to coordinate with the reform of the wage system, it is extremely important that we carry out relevant reforms of the wage management system.

The wage level, the wage system, and the wage management system all have their own direction of reform. But these in various directions of reform must all serve the general direction of wage reform. They cannot all be separate things, mutually resisting one another. This would cripple the role of wages as an economic lever.

2. The Direction of Wage Level Reform

Material production is the basis for the existence and development of human society. If there was no production of material goods, there could be no distribution. But distribution can, conversely, promote production. Thus, increased wage levels must accord with developments in production and must fluctuate with production. I advocate the implementation of floating total wages, because the total wages of workers is a general index reflecting the level of worker's wages. In a situation where the number of workers does not change, as the total wages expand, the level of worker's wages also rises. The principles for the floating of total wages should be as follows:

1. Total wages of workers should, in accordance with growth in production, be guided by the principle "when the river rises the boat goes up" and "when the river falls, the boat comes down."

2. With the improvement of economic results as the focus, the relationships between the economic interests of the state, the enterprises and the individual workers must be correctly arranged. With the prerequisite of ensuring greater revenues for the state, the enterprises must be able to retain more and the individuals to receive more. It is permissible for some districts, some enterprises, and some individuals, through hard work, to be the first to have a little more income and thus be the first to become better off.

3. The reform of the economic system must be integrated with the application of the economic responsibility systems and the reorganization of enterprises, so as to implement floating total wages for workers.

At present, some enterprises have implemented floating wages. One form of floating wages is where, not only does the individual worker's wages fluctuate in accordance with whether his labor contribution has been great or small, but the total wages of the enterprise also fluctuate in accordance with whether the operation of the enterprise has been good or bad.

This type of floating wages, with the sources of funds guaranteed by floating total wages, can enable the wages of workers to float on a long-term basis. This guarantees the enthusiasm of the workers for labor for a long period. Another form of floating wages is where only the individual worker's wages float in accordance with whether his contribution of labor has been great or small. The total wages of workers do not fluctuate in accordance with whether production is good or bad. In this system, although a worker gets more if he contributes more, because the source of funds is not guaranteed by the floating of total wages, the long-term implementation of floating wages will be affected. This system is only a contingency measure utilized to implement the principle of distribution according to work, under the conditions of the present system where distribution of total wages is done on a per capita basis.

3. The Direction of Wage System Reform

The current worker's wage standards are the nucleus of the wage system. If we wish to resolutely reform the wage system, we must all make efforts in respect of the wage standards. We cannot just make adjustments and additions. We should carry out rather major "surgery."

The current worker's wage standards were basically stipulated in the 1956 national wage reform. They were largely copied from the experiences of foreign nations and did not have Chinese characteristics. At that time, it was discovered that several problems existed and Premier Zhou repeatedly instructed that changes be made. The foreign nations also carried out many large reforms. However, for 28 years our system remained as it was, without appropriate reforms being made in accordance with the development of the national economy. The present wage standards, since quite early, have not accorded with objective needs. There have been "long-standing and difficult" problems which have become targets of public criticism. If we wish to reform, then we should correct this direction. We cannot be reluctant to part with old conventions, but neither can we rashly implement new models which are divorced from reality.

If we are to bring into play the role of wages as an economic lever, raise economic results, and expand the autonomy of enterprises, departments, and districts, then we can no longer continue with old, over-centralized, excessively rigid methods in the wage system. We must give it a certain flexibility. Therefore, it is best that the central authorities stipulate general wage standards. In enterprises which operate well, the wages of the workers can exceed the state standards, while in enterprises which do not operate well, wages can be below the state standard.

How are the general wage standards to be set? Is there to be a composite graded wage system or a differentiated wage system. Clearly this is a question of direction which deserves investigation. The present composite graded wage system has its advantages and plays a definite role in wage distribution and in promotion. However, as it mixes up all the functions of wages, it cannot bring all these functions into play and many problems remain. These are:

1. The current graded worker's wage system and various types of graded cadre post wage systems cannot easily realize the matching of rewards with labor. This is because the increase in the total wages which can be given to workers by an increase in the total wages which can be given to workers by an increase in state revenue is limited. If all of the workers in units owned by the whole people were to advance by one grade, this would require an extra 7 billion to 8 billion yuan a year. State finances would be unable to bear this. If the promotion of workers cannot be carried out normally, this will give rise to the serious phenomena of labor and rewards not being in accord, tasks and grades not being in accord, and skills and grades not being in accord.

At present, some enterprises use floating wages and have introduced measures such as increasing bonuses. This is related to the situation where rewards are not able to match labor.

2. The various parts of the wage structure are unable to attend to their own tasks. The wages of workers are composed of many elements. If only the composite graded form is used to fix wages, then the functions of these elements will not be able to be brought into play. The former policies for, and methods of, promotion of workers varied with the occasion. When seniority was stressed in revising the wages of workers with low wages, this resulted in the ideology of misstating the number of years worked. When labor contribution was stressed in the revision of wages, it resulted in lack of trust, trouble making, and people being killed. When "giving middle-aged and young intellectuals higher wages" was stressed, it gave rise to the ideology of seeking scholastic records and fake diplomas.

3. As that portion of wages which is a reward for labor and that portion which is the guarantee of the livelihood of the workers have been confused, the wages of the workers can only rise, not fall. After the revision of wages, if labor contribution falls or tasks change, wages cannot be changed. Conversely, if a worker's contribution increases, his wages cannot increase. The period when wages are revised is not necessarily the period when contributions are at their greatest. When reward is divorced from labor, once wages rise they cannot come down again.

4. The composite graded wage system is not beneficial to getting rid of concepts of rank. Because political treatment and other treatment in life are closely related to wages, it causes concepts of rank to be strengthened. "If you win on the wage issue, you win on everything." In this way, not only can the principle of distribution according to work not be fully embodied, but the bringing into play of the workers' production enthusiasm is also affected. This is disadvantageous to the four modernizations.

By fully bringing into play the different functions of the various parts of wages, and implementing the method of "wage differentiation," we can get rid of the problems mentioned above. Thus we should regard this as the direction in reforming the wage system. Wage differentiation generally divides wages into four parts:

1. Basic wages. This is the basic part of the worker's wage income. It is what is needed to guarantee the worker's basic lifestyle and maintain simple, expanded reproduction of the productive forces. The amount of basic wages should include an element to cover commodity price increases, so that the workers' basic standard of living does not fall.

2. Annual incremental wages. This is to encourage the workers to be satisfied in and love their work. If they make a contribution every year, their wages will grow yearly. This can also take into consideration the restrictions of the duties, the post, and the skills, and other restrictions imposed by levels and boundaries. Thus workers who cannot be promoted still have the opportunity to increase their wages and improve their lifestyles. The principle for increasing annual incremental wages is that the wages should increase in accordance with length of service.

3. Post wages. This can also be called a duty, position, or skill subsidy. This is intended to encourage workers to study and raise their professional and technical levels. Different high and low post wage standards, stipulated according to different technical and professional levels and different posts and duties, will embody the principle of distribution according to work. When a post changes in terms of duties, position, or skills, then the post wage should also change.

4. Floating wages. This is a reward for above-quota labor. It mainly refers to bonuses and above-quota piecework wages.

Income is high or low depending on whether the enterprises's operations are good or bad. In accordance with whether a worker's labor is greatly or a little in excess of quota, we can implement the following: greatly exceeding the quota means great benefits, exceeding the quota by a little means small benefits, and not exceeding the quota means no benefits. In this way we can overcome egalitarianism.

4. The Direction of Wage Management System Reform

The wage management system at present is unified and state-managed. The state is thus responsible for formulating and implementing plans for total wages. It is also responsible for laying down and controlling wage standards, and the drafting and balancing of concrete methods for the promotion of workers. Even piece-rate wages, bonus systems, subsidy systems, and so on have concrete methods stipulated by the state in a unified way. In view of the pressure of the current situation, the needs of production, the requirements of distribution and the wishes of the people, the present over-centralized, excessively rigid wage management system must be changed.

In order to continually raise economic results, we must bring into play the role of wages as an the economic lever in accordance with the local conditions and the situation. We must carry out the principle of controlling the macroeconomy and invigorating the microeconomy, and implement a wage system where management is suitably graded, so that power over major issues is centralized and minor power is decentralized. The state should be responsible for formulating, in a unified way, the policies, principles and laws in regard to wages. It should also work out national wage plans, and stipulate general wage standards. Apart from this, control should be loosened and the autonomy of localities, departments, and enterprises should be expanded. The state can, in the localities, departments, and even through local departments directly in the enterprises, implement responsibility management systems for the floating total wages of workers.

After the total wages of workers in an enterprise are allowed to float in accordance with production growth, the enterprise can be responsible for the utilization of total wages. Within the limits of its responsibility the enterprise can change the "uniform" system of promoting workers. It can establish subsidy systems in accordance with the characteristics of the enterprise, and it can choose a wage system which is beneficial to the production of the enterprise.

1. When changing the former system of promoting workers, we should implement a promotion system which has a nationally unified aspect, unified methods, unified promotion period, and unified methods and measures. It is permissible for enterprises, within the limits of their responsibility for floating total wages, and in accordance with whether a workers' contribution is large or small, to adjust wages. If the floating total wages for which the enterprise is responsible grow, then the enterprise can promote more people. If they fall, then it should demote people.

2. Within the limits of responsibility for utilizing floating wages of workers, the enterprise has the right to establish a special work and special post subsidy system which conforms with the situation of the unit. This will encourage workers to go to work in posts which are essential in production but which are quite arduous.

3. Within the limits of responsibility for utilizing floating total wages of workers, the enterprise has the right to choose, on the basis of the enterprise's specific conditions, wage systems including payment by the hour, piece-work wages, and bonus wage systems. Uniformity should not be insisted upon. Those enterprises with the conditions can implement a system of labor contracts.

In implementing responsibility for floating total wages of workers, we should adhere to the principle of combining material incentives and spiritual incentives. We should educate the workers to devote themselves to the socialist "four modernizations" and the far-reaching ideals of communism, and to establish a communist attitude toward labor. We must ensure that the workers realize that making great contributions to the country takes first place, that the country is the most important thing, and that only when the country is strengthened and production is developed can the level of workers' wages be further raised.

EMPLOYEE TRANSFER SERVICE CENTERS ESTABLISHED

OW200229 Beijing XINHUA Domestic Service in Chinese 1157 GMT 16 Oct 84

[Excerpts] Beijing, 16 Oct (XINHUA) -- From the national qualified personnel interflow service center, this reporter has recently learned that now personnel departments of 26 provinces, autonomous regions, and municipalities directly under the jurisdiction of the State Council; 68 prefectures and cities; and a number of counties have already set up personnel interflow service organizations. The Ministry of Labor and Personnel has set up a national personnel service center and established a national network for coordinating the interflow of personnel. These personnel organizations have adopted various forms to develop activities of personnel flow, guided ways for personnel flow, and promoted rational interflow of personnel.

From October last year to April this year, Jilin city's personnel research and service company has handled cases of employment changes involving 675 specialized people. Of the total, 67 people moved from urban to rural areas; 342 people moved from units owned by the whole people to units owned by collectives; 15 people moved from state-owned enterprises to local enterprises; 328 people exchanged posts between units of a similar nature; and 23 people moved in from other localities.

With a view to removing the hurdles of "personnel owned by the unit and department" and guiding the way for personnel flow, personnel interflow service organizations in Guangdong, Shandong, Jiangsu, Zhejiang, Shanghai, Gansu, Xinjiang, Taiyuan, and other areas have actively promoted arbitral activities. Using the method of direct transfer or personal resignation, personnel interflow service organizations and personnel departments transferred those specialized personnel who are either misplaced in work, or whose talents are wasted, or whose talents are not fully used, or who are not permitted to leave by their units, to work in units suitable for their special training with their salary and work seniority paid and calculated without change.

STATE COUNCIL ON PEASANTS SETTLING IN TOWNS

OW221733 Beijing XINHUA Domestic Service in Chinese 0037 GMT 21 Oct 84

[Text] The State Council issued the "Circular on Peasants Seeking Permanent Resident Status in Towns" on 13 October. The circular calls on people's governments at all levels to actively support peasants who have the ability to run businesses or who possess technical skills to run industrial or commercial businesses in towns.

The circular said: Following the rapid development of commodity production and exchange in rural areas, industrial and commercial establishments have sprung up rapidly in towns, and more and more peasants are engaged in industrial and commercial business. They eagerly require that they be given permanent resident status in towns.

At present, our country has nearly 60,000 towns below the county level which are the centers of interflow, marketing, and distribution of commodities between urban and rural areas. Peasants engaged in industrial, commercial, and service businesses in towns play an important role in speeding up the development of towns and the prospering economy of urban and rural areas. People's governments at all levels should actively support peasants who have the ability to run businesses or who possess technical skills to run industrial or commercial businesses in towns.

The circular gave the following regulations concerning peasants seeking permanent resident status in towns (not including towns where county governments are located):

1. Public security departments should grant urban permanent resident status to all peasants and their dependents who apply for engagement in industrial, commercial, or service business in towns, provided the applicants have fixed dwelling places in towns and have the ability to run a business, or provided they have permanent employment with any enterprises or institutions run by townships or towns. These departments should proceed promptly with the necessary household registration formalities, issue the applicants the "booklet of residence which provides its own grain ration," and count them as non-agricultural population. Grain departments should do a good job in supplying the new settlers with grain and edible oil at above quota prices, and may issue them "above-quota-price grain and edible oil supply permits." Local governments should give them facilities and assistance in building, buying, or renting houses. Land for building houses should be handled in accordance with the regulations concerned of the state and local development plans. Industrial and commercial administration departments should provide them with good service regarding the registration, certificate issuance, and administration of industrial and commercial establishments. All departments concerned should enthusiastically support them, give them assistance, and strengthen administrative work so that development of towns can speed up in a healthy way.

2. In order to protect the legal rights and interests of peasants setting up business establishments and settling in towns, people's governments of townships or towns should protect their legal economic activities in accordance with law. No organizations or individuals are allowed to infringe on their legal interests. Those peasants newly arrived in towns for business should be admitted to neighborhood residents groups and be allowed to take part in all activities sponsored by neighborhood residents committees, just as ordinary town residents are. They should be given equal rights and should perform their duties.

In order to maintain the stability of peasants doing business in towns, people's governments of townships and towns, as well as village residents committees, must not discriminate against the peasants' dependents living in rural areas. For those peasants who decide to settle in towns, transfer of their contracted lands should be completed before they leave. Those who must return home for any reasons should be allowed to regain their permanent resident status.

3. People's governments of townships or towns should strengthen the administrative work of towns. They should perfect their own organs and enhance their ability, so that they can do better work for towns in economy, education, science and technology, culture, public health, development planning, finance, public security, civil affairs, family planning, and other fields. In order to strengthen household registration work, the appropriate number of household registration personnel should be recruited in towns which do not have public security stations. Household registration offices also should be set up to handle the routine registration of permanent households, temporary residents, births, deaths, moving out, and moving in.

People's governments of provinces, autonomous regions, and municipalities should decide how towns on the outskirts of big cities should solve problems arising from peasants seeking permanent resident status in towns.

MILITARY ACADEMY ADOPTS NEW HIRING SYSTEMS

OW221853 Beijing Domestic Service in Mandarin 0200 GMT 19 Oct 84

[Text] According to a JIEFANGJUN BAO report, Comrade Xiao Ke spoke at a meeting of party members and cadres of the Military Academy on 9 October. The meeting was held to arrange rectification and correction work.

On behalf of the Standing Committee of the Military Academy's CPC Committee, Comrade Xiao Ke announced: It is necessary to emancipate minds, stress efficiency, make fewer comments, and do more work. It is necessary to work hard to ensure successful rectification and correction work in the 80 days remaining in this year. It is particularly necessary to do a good job in reforming certain systems to lay a good foundation for further improvement of the academy's management.

The reform of the systems that he mentioned include primarily the trial implementation of two new personnel hiring systems. One is the system of hiring and probation, to be practiced by enterprises and teaching units under the academy which tackle key problems. Under this system, a person may apply for a certain job. If the leadership approves his application, he will be hired to work on probation under the conditions set by the employer with regard to responsibilities, powers, benefits, and work efficiency. During the 6-month probationary period, his salary will remain unchanged. If he passes probation, he will be formally hired; otherwise, he will return to his previous post.

The other is the system of recommendation and selection. Before a cadre is promoted to join the leading body, the masses' opinion about him will be solicited. He will be admitted to the leading body only when the majority of the masses recommend him and after the leadership assesses him as a suitable person for the leading post.

The academy will implement on a trial basis a system of consultation for making policy decisions. In order to overcome bureaucracy, reduce blindness, and do things in a scientific way, the academy will form a consultation group before the end of October. The group will study important issues and then present some feasible plans for the leadership to choose from and use in making policy decisions. From now on, the academy will ensure that it will not make any decision on important issues if the decision has not been proven feasible, nor will it make any decision if it does not have two or more comparable plans on hand.

The academy will implement the system of personal responsibility. A system of [word indistinct] 5 days each week for teachers will be practiced on a trial basis. Some teaching and logistics units under the academy will adopt a system of management similar to that for enterprises.

In conclusion, Xiao Ke emphatically pointed out: The masses' confidence in rectification and correction work primarily hinges on the determination and action of the leadership.

PLANS TO ADOPT NEW METHOD IN MANAGING CREDIT FUNDS

OW200201 Beijing XINHUA Domestic Service in Chinese 1711 GMT 15 Oct 84

[Text] Shijiazhuang, 15 Oct (XINHUA) -- Beginning 1 January next year, China will implement a new method in managing credit funds on a trial basis. While the People's Bank of China will strengthen the overall control of financial work, various specialized banks may adjust and employ credit funds in a more flexible manner.

The above was mentioned by Qui Qing, vice president of the People's Bank of China, at the national conference on the reform of credit funds management currently being held in Shijiazhuang. She said: The funds of various specialized banks must not be mixed together. Each bank should operate independently and must not mesh. There are five main points for activating the circulation by specialized banks:

- The proportion of funds to be deposited in the People's Bank of China by the China Industrial and Commercial Bank, the China Agricultural Bank, the Bank of China and other specialized banks will be reduced in order to increase available funds for those specialized banks.
- The scope of independent operation and adjustment of funds of various specialized banks will be expanded. The new trial method for the management of credit funds stipulates that the head offices of various specialized banks may pool all kinds of circulating funds (including agricultural loan funds) and extend more loans when there are more deposits.
- The aim is to increase the flexibility of loans for technological transformation. Various specialized banks may give priority to technological transformation projects of related enterprises, extending loans according to the economic results of those projects.
- Various specialized banks may freely transfer and adjust credit funds within their own banking system.
- Various specialized banks may borrow funds from each other in order to gradually promote the horizontal flow of funds among banks to meet the needs of the economy centered on cities.

Qui Qing emphatically pointed out at the meeting: While adopting the above measures, the People's Bank of China -- which plays the role of China's central bank -- will control the scope of credit funds and the circulation of money in accordance with the state plan and set different interest rates for deposits and loans by various specialized banks in order to strengthen the overall control of finance and enable credit funds to create greater social and economic benefits.

CYL CENTRAL COMMITTEE HOLDS NATIONAL MEETING

OW200104 Beijing XINHUA Domestic Service in Chinese 1210 GMT 18 Oct 84

[Text] Fuzhou, 18 Oct (XINHUA) -- The CYL Central Committee called a national meeting in Fujian's Longhai County from 10 to 17 October to discuss how to make CYL work at grassroots units suit the needs of the current reform situation.

The meeting held that in recent years CYL organizations have striven to adapt their work to the reform situation, that grassroots CYL organizations have made new progress in their work, and that they have carried out their ideological-political work more vigorously than before. However, their current work still fails to keep up with the needs of the current economic reform, and there are many new situations that must be promptly studied and many new problems that need urgent solutions.

The meeting held that the central task of reforming the CYL's work at grassroots units is to adapt the work to the needs of economic development and suit the characteristics of young people and to open new fields of work in this respect. The setup of grassroots CYL organizations should be in line with the new style of labor composition. Activities of CYL organizations should be purposeful, varied, and flexible. It is necessary to train grassroots CYL cadres, raise their quality, and improve the method of managing CYL members.

Song Defu and Liu Yandong, secretaries of the CYL Central Committee, addressed the meeting respectively.

A number of advanced CYL organizations and outstanding CYL cadres were commended at the meeting. They were also organized to exchange their experiences.

SPACE DATA TO BE RELEASED TO SCIENTIFIC COMMUNITY

OW230741 Beijing XINHUA in English 0639 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- China will share with the international scientific community the data collected by Chinese space scientists through a network of satellites, rockets, balloons, and ground stations. This was announced by Chinese space scientists who gathered here for a symposium on the analysis of space physics data, which began last Wednesday and ended today.

Participants in the symposium discussed the academic value of the data, their potential role in the national economy and a program for development of space physics by the year 2000.

The topics included analysis of data on magnetic fields, particle environment, atmospheric density, solar X-rays and the ionospheric effect of the April 25, 1984, solar flare. The data will be put together and published as a book.

According to Professor Xiao Zuo, chairman of the Specialized Committee on Space Physics under the Society of Space Science, the committee is thinking of sponsoring an international solar-terrestrial physics symposium. The committee will promote bilateral and multi-channel exchanges of such a nature, he said.

China, which ranks among the world's leading nations in carrier rocket and satellite technology, has orbited 16 earth satellites in the past 15 years, according to Professor Yang Junwen of the Space Physics Institute under the Chinese Academy of Sciences. "All the data collected are extremely valuable for scientific study," stressed Professor Xiao.

WAN LI AT ASTRONAUTICS COMMENDATION MEETING

OW222021 Beijing XINHUA Domestic Service in Chinese 1232 GMT 22 Oct 84

[By RENMIN RIBAO reporter Zeng Xiangping and XINHUA reporters Hu Shihong and Yi Jianru]

[Text] Beijing, 22 Oct (XINHUA) -- The Ministry of Astronautics Industry called a meeting in Beijing on 22 October to commend model workers and advanced collectives for their contribution to China's astronautics industry.

On behalf of the party Central Committee and the State Council, Wan Li extended warm greetings at the meeting. In this speech, he spoke highly of our country's astronautics industry and called on comrades of the Ministry of Astronautics to be united as one, rise with force and spirit, have the courage to make reform, and blaze a new path in order to strive to scale new heights in astronautics science and technology.

On behalf of Chairman of the Central Military Commission Deng Xiaoping, Yu Qiuli and Zhang Aiping in their speeches extended congratulations to the meeting and salutes to the scientists, technical personnel, and broad masses of workers fighting on the astronautical front.

Vice Chairman of the Central Military Commission Nie Rongzhen sent a congratulatory letter to the meeting, calling on the representatives to the meeting to bring into further play their exemplary leading role and their role as a bridge, use their invaluable experience in the astronautics industry to spur on the masses, and raise the quality of the entire ranks so that the mainstay of the astronautics industry can become a contingent of scientific and technical personnel with both political integrity and professional competence, and both the fine tradition of arduous struggle and advanced science and technology.

Attending the meeting were more than 1,300 people, including technical experts, workers, and cadres who took part in the research and development of carrier rockets and various kinds of satellites, as well as personnel from various fronts of the Ministry of Astronautics Industry who had performed meritorious services. Among them, 240 were given the title of model worker of the ministry and some 700 won a first-class merit citation.

Since the 3d Plenary Session of the 11th CPC Central Committee was convened, China has successively scored important achievements in astronautics undertakings. It successfully launched a carrier rocket to the southern Pacific Ocean in 1980, victoriously conducted the launching of a carrier rocket from a submarine in 1982, and again successfully launched an experimental communications satellite in April this year, thereby enabling our country to march abreast with the world's advanced nations in space technology. A large number of advanced models who have the courage to make sacrifices and the determination to blaze a new trail and who are good at probing into problems have emerged.

Leading comrades of the All-China Federation of Trade Unions; the Commission of Science, Technology, and Industry for National Defense; and concerned industry ministries attended the meeting.

ULANHU, XI ZHONGXUN HONOR LATETAN KAH-KEE

OW211122 Beijing XINHUA in English 1031 GMT 21 Oct 84

[Text] Beijing, October 21 (XINHUA) -- Over 1,000 people of all circles gathered here today to commemorate the 110th anniversary of the birth of the late Tan Kah-kee, a noted patriotic Overseas Chinese.

Speaking at the meeting, Chinese Vice-President Ulanhu called on Overseas Chinese to follow Tan's example, unite broadly and contribute to the modernization and reunification of their motherland. He also expressed the hope that they would live in harmony with the local people, abide by the laws of the countries of their residence and make constant contribution to local economic and cultural development.

Tan Kah-kee (1874-1961) was born in Jimai Village in Xiamen of Fujian Province. He went to Singapore in 1900 and then became known as an industrialist in rubber industry. He supported Sun Yet-sen's revolutionary activities and then the Chinese people's struggles against Japanese aggression and for liberation.

To train more useful people for the motherland, Tan Kah-kee made donations to start educational undertakings including kindergartens, primary, middle and vocational schools in his hometown, and Xiamen University.

According to Zhuang Mingli, vice-chairman of the All-China Federation of Returned Overseas Chinese, Tan contributed a large amount of money equivalent to 150 million yuan (about 60 million U.S. dollars) in setting up educational establishment.

After the founding of the People's Republic, he was elected a member of the Central People's Government Council, a member of the Standing Committee of the National People's Congress, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and Chairman of the All-China Federation of Returned Overseas Chinese.

Ulanhu praised Tan Kah-kee for his patriotism and for making great contributions to the cause of liberation of the Chinese nation and to the victory in the people's revolution. His meritorious deeds will never be obliterated, he added. Ulanhu, who had often participated in discussions on the state affairs together with Tan before 1961, recalled that Tan had put forward many original views and constructive suggestions.

Xi Zhongxun, member of the Political Bureau of the Central Committee of the Chinese Communist Party; Xu Deheng, Hu Yuzhi and Ye Fei, vice-chairmen of the N.P.C. Standing Committee; and Xiang Nan, first secretary of the Fujian Provincial Committee of the C.P.C., attended the commemoration meeting, which was sponsored by the CPPCC National Committee. More than 40 Overseas Chinese from abroad as well as Hong Kong and Macao compatriots were among the 1,000 participants. A documentary film on Tan Kah-kee was shown at the end of the meeting.

GUANGXI PREFECTURE TO ENFORCE VIDEO CENSORSHIP

HK210424 Nanning Guangxi Regional Service in Mandarin 1130 GMT 17 Oct 84

[Text] Baise Prefecture has adopted effective measures to strengthen supervision over commercial videotape screening centers. It resolutely prohibits the screening of obscene videotapes. Since April of this year, the number of units and individuals running centers for playing videotapes has increased. This has enriched the cultural life of the masses. However, because the supervision has not been strict enough, some units have violated the relevant regulations of by the upper levels and have screened some uncensored videotapes. Some have sold tickets for video screenings before permission was granted. Some have even screened pornographic videotapes.

The administrative leadership of the Baise Prefectural CPC Committee has attached great importance to this problem. In late August, the Propaganda Department of the prefectural CPC Committee held a special meeting on supervising videotape screenings. It stressed the type of videotapes to be screened and urged acting strictly in accordance with the documents and stipulations of the upper levels.

In view of the present problems in screening videotapes throughout the prefecture, the departments concerned issued a circular in early October urging the leadership at various levels to strengthen their supervision over videotapes. Any unit or individual who engages in screening videotapes can run his business only after the business license is granted. Any videotape that is not of the type stipulated in the relevant central documents can be screened only after it has been censored by the prefectural authorities and permission is granted. Any unit or individual who violates the regulations shall face punishment, suspension from operation, or equipment confiscation. The business license may even be revoked. In addition, the prefecture has set up a leading group for censoring videotapes, so as to strengthen the leadership over the work.

GUANGZHOU PUNISHES 'THREE-CATEGORY' CRIMINALS

HK210040 Guangzhou NANFANG RIBAO in Chinese 18 Oct 84 pp 1, 3

[Report: "Haifeng County Achieves Initial Results in Weeding Out 'People of Three Categories'"]

[Text] The Haifeng County CPC Committee has adopted effective measures to strengthen leadership in weeding out "people of three categories" and transferred some capable cadres to handle the cases. With the assistance and cooperation of various fields, they have actively and conscientiously examined the cases and have achieved initial results in this respect. Now 11 criminals, including Han Huochun, Zhang Xinmin, Jin Fengguang, and Wang Yawen, who did all kinds of evil during the "Cultural Revolution," have been arrested and brought to justice.

Haifeng County was one of the most seriously afflicted counties during the "Cultural Revolution." A large number of cadres and masses were criticized and struggled during that period, and more than 360 people died under questionable circumstances, while some 100 people were killed without any reason. After the smashing of the "gang of four," the cases were reexamined. However, as the power of the county CPC Committee was grasped by Wang Zhong (former secretary of the Haifeng County CPC Committee, who was put to death on 17 January 1983 for serious economic crimes), the work was not really carried out, and some cadres in charge of handling the cases faced retaliation and persecution. Later, as the main responsible leader of the county CPC Committee was afraid that weeding out "people of three categories" would lead to new factional struggles, the work was delayed for quite a long time.

Since the new county CPC Committee was established in January, the "members of the leading group" of this committee have conscientiously studied relevant central documents in light of the reality in their county, and have gained a better understanding of the harmfulness of the "people of three categories" and the importance of weeding them out. They listed three main problems the "people of three categories" have caused for this county: 1) The "people of three categories" have tried in a thousand and one ways to obstruct the implementation of the principles and policies mapped out since the 3d Plenary Session of the 11th CPC Central Committee, especially the party's cadre policy. As a result, some unjust, false, and wrong cases have not been redressed for a long time. 2) Most of the "people of three categories" are also economic criminals. They have taken advantage of their power to seek private gains and commit bribery and embezzlement. As a result, the party's prestige has been greatly damaged and socialist construction undermined. 3) Screened by factionalism, they have stirred up factionalism and disrupted unity. As a result, the cadres' contingent has been greatly disturbed. Through the listing of the problems caused by the "people of three categories," people understand that only when these elements are weeded out, rather than being tolerated and shielded, can the cadres' contingent be purified and the people be united and engage in the construction of Haifeng with one heart and one mind. Therefore, the county CPC Committee has established a leading group in charge of weeding out the "people of three categories" and appointed three Standing Committee members to take charge of the work. Corresponding examination groups have also been established in various districts and towns. In the whole county, a contingent of more than 240 capable cadres has been established to engage in this work.

In the course of weeding out the "people of three categories," in view of the complicated situation that there have been great changes in the ranks of cadres due to the transfer of personnel over the past years since the "Cultural Revolution," and that in order to reexamine a case or a problem several units or regions may be involved, the Haifeng County CPC Committee has emphasized that all units and regions concerned should cooperate with one another and take concerted action. The handling of the case involving Wang Yawen is one example.

Wang Yawen is the former deputy chief of the overseas remittance section of the Haifeng County People's Bank. During the "Cultural Revolution" she was one of the heads of a faction. In August 1967, she colluded with other heads of the faction, including Han Guozhun (chief of the county Agricultural Machinery Bureau at the time), Zhang Ximin (then chief of the county Finance Bureau), and Jin Fengguang (then deputy director of the county Industrial and Communications Office) in planning and working out the so-called "plan of dictatorship by the whole people." From 24 August to 16 September, they were responsible for the murders of 93 cadres and masses, including 5 relatives of Peng Pai, who were killed without reason. Wang Yawen committed serious crimes in this case.

In November 1969, when her husband was transferred to Anshan City from the Haifeng County People's Armed Forces Department, in order to escape responsibility for the offense, Wang Yawen volunteered to resign from office and went to live in Anshan City. In August 1970, she began to work in the Xintao office of the Tiexi District of Anshan and took charge of personnel affairs there. In 1979, when the Guangdong Provincial CPC Committee and the then Shantou Prefectural CPC Committee sent out work groups to Haifeng to carry out investigation and examination there, the cadres and masses exposed the crimes committed by Wang Yawen and others. The party organization then placed this case on file for investigation and prosecution and sent people to Anshan, bringing the relevant materials to the Tiexi District CPC Committee. The Tiexi District CPC Committee attached great importance to this case and, in 1979 and 1980, twice sent people to Haifeng to find out about the whole situation. However, due to the deliberate obstruction of Wang Zhong and his followers, the case involving Wang Yawen could not be handled.

At the beginning of this year, in the work of weeding out the "people of three categories," the new Haifeng County CPC Committee made a conscientious reexamination of the facts concerning the crimes committed by Han Guozhun, Zhang Xinmin, Jin Fengguang, and Wang Yawen. On 1 July, the Haifeng County public security organs arrested Han Zhang and Jin in accordance with the law and brought them to justice. As for Wang Yawen, the county CPC Committee decided to actively contact the CPC Committee of the Tiexi District of Anshan so that she could not escape from the net either. The office of the county CPC Committee in charge of investigating and examining the "people of three categories" quickly sent a letter to the CPC Committee of Tiexi District reporting the situation to the latter and asking about the handling of the case involving Wang Yawen. On 5 August, the Tiexi District CPC Committee sent people to Haifeng, and through discussion, both sides decided that the problem regarding Wang Yawen should be dealt with by Haifeng County. By the end of August, Wang Yawen was sent to Haifeng under escort. On 27 August, she was arrested by the Haifeng County public security organ in accordance with the law. As Haifeng County and the Tiexi District of Anshan closely cooperated with each other, Wang Yawen was unable to escape the net of justice.

The Haifeng County CPC Committee conscientiously summed up the successful experience of arresting Wang Yawen, with the assistance of the Tiexi District CPC Committee of Anshan City, requiring that all units further cooperate with one another and make a conscientious investigation and examination of the problems concerning the people who are involved in the cases that occurred in their units during the "Cultural Revolution" with the assistance of the units in which they are now working. During the "Cultural Revolution," nine innocent cadres and masses were killed in the Meilong District. However, most criminals involved in this case have been transferred to other districts. In the current investigation and examination, the Meilong District CPC Committee has taken effective measures to carry out the work and enjoyed the cooperation of relevant units, so the work has been carried out smoothly. While weeding out the "people of three categories," the county has also carried out education on totally negating the "Cultural Revolution." During the education, some erring comrades have been criticized and some have made self-criticisms of their own accord, while some have even visited those who were persecuted to apologize. They have thus earned the forgiveness of the masses and the trust of the party organization.

Editorial Praises Haifeng County

HK200627 Guangzhou NANFANG RIBAO in Chinese 18 Oct 84 p 1

[Editorial: "Deepen the Work of Weeding Out 'People of Three Categories'"]

[Text] Today we heard another piece of gratifying news: The murderers responsible for the death of the martyr Peng Pai's family have been arrested. Haifeng County is making vigorous efforts to weed out "people of three categories." The news convincingly demonstrates that if people who have committed violent crimes such as Wang Yawen [3769 7161 2429] do not seek lenient punishment by honestly confessing their crimes, they cannot escape the people's net of justice even if they flee to the most remote parts of the world.

The situation in Haifeng County and in other parts of the country show that the two most important things in our endeavor to successfully weed out "people of three categories" are first to strengthen leadership, and second, to make concerted efforts.

To strengthen leadership is to discard the idea of "sheltering" and "being afraid." In the past, some leaders of the Haifeng County CPC Committee did "shelter" "people of three categories." Some other comrades were afraid that they might provoke factionalism by weeding out "people of three categories." Thus, they were unwilling and too timid to make resolute efforts.

By seriously solving this problem, the new leading body of the Haifeng County CPC Committee has created a new situation. Now there are very few people who deliberately obstruct investigations and openly shelter "people of three categories." However, factionalism is still haunting the minds of many. Factionalism ran rampant during the "Cultural Revolution." Vestiges of factionalism still survive in some parts of the country. Some leaders are frightened by it. In fact, they are entertaining imaginary and groundless fears. We should see that to avoid factionalism is an incorrect attitude. If we give people an in-depth education in totally negating the Cultural Revolution, aim this education at eliminating factionalism, and enhance party spirit, we will be able to eliminate factionalism. Once factionalism is eliminated, we can create a new situation in weeding out "people of three categories."

To make concerted efforts is to enthusiastically and actively do our work. The purpose of weeding out "people of three categories" is to remove the party's hidden troubles and to make our country stable and peaceful for a long time. This issue has an important bearing on the overall situation. Thus, we must pay close attention to it and enthusiastically and actively do our work. Some comrades fail to take the overall situation into consideration and they lack a profound understanding of the great significance of weeding out "people of three categories." Thus, they tend to turn big problems into small problems and small problems into no problem at all. For example, some comrades have said that some people in their units were famous for "being rebellious" during the "Cultural Revolution," they are better known in other parts of the country, and they do not create great troubles in their units. Others have said that most of the violent rebels have been transferred, those who remain are small fish incapable of whipping up great waves, and do not worry, "it is quiet and peaceful here!" If these erroneous ideas are not eliminated, we will not find it easy to weed out "people of three categories."

The "Cultural Revolution" is a mistake which adversely affected the overall situation. In order to eliminate its pernicious influence, it is necessary to take the overall situation into consideration. The Haifeng County CPC Committee has resolved to ferret out "peoples of three categories" even if they flee to the most remote areas. The CPC Committee of Tiexi District, Anshan City, has also resolved to cooperate with the units from which people of questionable character have been transferred to the district in the units' investigation of these people. This will now allow wrongdoers a simple way out. All of our units should work like the Haifeng County CPC Committee and the Tiexi District CPC Committee in their work. Of course, in handling "people of three categories," we should resolutely do things in accordance with the policies and help them ask for leniency.

At present, party rectification is being comprehensively carried out throughout the country. The task of weeding out "people of three categories" should be regarded as an important part of the simultaneous rectification and correction of mistakes or the correction of defects prior to rectification. We should seize the opportunity to deepen the work of weeding out "people of three categories."

HUBEI ISSUES CIRCULAR ON CPC ECONOMIC REFORM

HK230746 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Oct 84

[Text] The Hubei Provincial CPC Committee issued a circular today on conscientiously studying and publicizing the decision of the CPC Central Committee on economic reform. Following is the text of the decision:

CPC committees of all prefectures, cities, autonomous prefectures, and counties; the party committee of the provincial Military District; all departments and commissions of the provincial CPC Committee; the party groups of all committees, offices, departments, and bureaus of the state organs at the provincial level; and the party groups of all people's organizations:

The 3d Plenary Session of the 12th CPC Central Committee has been successfully convened. This is another important meeting in the history of our party. The decision on economic reform adopted by the 3d Plenary Session is a programmatic document for doing well in reforming the entire economic system centered on cities in China. It will be of great immediate significance and far-reaching historical significance to creating a new situation in all fields of socialist modernization and to the building of socialism with distinctive Chinese characteristics. In order to implement the spirit of the 3d Plenary Session, it is necessary to first study and publicize well the documents adopted by the session. For this reason, the provincial CPC Committee issues the following circular:

1. It is essential to deepen the understanding of the great significance of studying the documents of the 3d Plenary Session of the 12th CPC Central Committee. Within a period from now on, party committees at all levels should regard studying the documents of the 3d Plenary Session as an important step in implementing the decision of the 3d Plenary Session.

We must attach great importance to this work and, through profoundly studying the documents, unify the thinking of the vast numbers of party members and cadres with the spirit of the 3d Plenary Session of the 12th CPC Central Committee. We must effectively carry out our work with full confidence and courage, seize the overall victory of reform, and strive to make Hubei stand in the forefront of the modernization program.

2. In the study drive, it is necessary to profoundly realize the essence of the documents, to stress practical results, and to combine study of the documents with the concrete comprehension of the government work report delivered at the Second Session of the Sixth NPC. It is necessary to profoundly understand the necessity and urgency of accelerating the reform of the entire economic system centered on cities as expounded in the decision and to make clear the orientation, nature, tasks, and the basic principles and policies of reform. It is necessary to intensively read the 10 issues expounded in the decision and to conscientiously study and have a good grasp of every issue. Meanwhile, in the course of studying the documents, we must thoroughly comprehend the attitude and method adopted by the CPC Central Committee in applying and developing Marxist theory by proceeding from China's reality. We must further emancipate our minds, adhere to the practical mode of thinking, carry forward the creative and initiative spirit of the Communist Party, and promote the development of various reforms intensively and extensively.

3. It is necessary to integrate the study drive with conducting investigations and summing up experience. In the course of organizing the vast numbers of party members and cadres to study the documents, party committees at all levels should conduct investigations and studies in a planned manner and should sum up the experience of each locality, department, and unit accumulated in recent years. It is necessary to conduct education by positive measures and persuasion and to meticulously conduct ideological and political work concerning reform so that the broad ranks of party members and cadres can conscientiously maintain unity with the CPC Central Committee in theory and practice as well as in thinking and action and can raise their theoretical, ideological, and policy levels.

4. Stress should be laid on study by leading cadres at above the county level. Proceeding from their actual circumstances, all localities and units should devote a period of time to conduct short-term training classes for cadres at above the county level by stages and in groups. Leading cadres at all levels should take the lead and set good examples. They should, in connection with practice, write articles expressing their personal experience after studying the documents. Meanwhile, they should properly organize the broad ranks of party members and cadres to study the documents. Party and cadre schools of all localities should regard the decision as one of their important courses and should train instructors in a planned manner.

5. The press, radio and television stations should earnestly publicize the great significance of the 3d Plenary Session of the 12th CPC Central Committee, expound the basic contents of the decision, and promptly report the experience of party committees at all levels in organizing the study drive. They should publicize the principle of seeking truth from facts and advise people not to rush headlong into mass action. If the publicity of the reform measures involves the overall situation, they should follow the organizational principle and request instructions from the higher authorities. No one must be allowed to take the opportunity to wilfully raise prices, to sabotage the socialist market, and to infringe upon the interests of the state and the consumers. If such events occur, the press, radio and television stations should, with the cooperation of the departments concerned, lay bare their features and make criticisms. On the basis of seriously studying the documents, the theoretical workers should theoretically explain the decision and help the broad ranks of cadres and masses correctly understand the spirit of the decisions.

6. Party committees at all levels should strengthen leadership over the study drive. Chief leading cadres should personally take a hand in this work.

Under the unified leadership of the CPC committees, the propaganda departments at all levels should pay attention to organization and guidance work, maintain supervision, keep abreast of the progress, provide answers to the questions raised, and push the study drive to develop in depth.

Please submit written reports on the implementation of this circular to the provincial CPC Committee.

XIZANG'S DUOJIECAIDAN SPEAKS ON ECONOMIC REFORM

HK230623 Lhasa Xizang Regional Service in Mandarin 1130 GMT 20 Oct 84

[Text] On the afternoon of 19 October, the regional Party Rectification Office held a report meeting at which Duojiecaidan, secretary of the regional CPC Committee and chairman of the regional People's Government, delivered a report on this region's economic construction. His report was divided into five parts: 1) the guiding ideology for the economic and social development in our region; 2) the policy of giving priority to animal husbandry; 3) the reform of the economic system; 4) the problem of macroscopically conducting strict and effective management and microscopically enlivening the economy by flexible means and the problem of balancing economic relations by means of the economic levers; and 5) several problems in our regional economic construction to which attention should be paid.

Duojiecaidan said that carrying out the reform is the road we must take in order to revitalize our regional economy and is an important guarantee for attaining our goal of becoming well-off. In the reform in agricultural and pastoral areas, it is necessary to do a good job in separating government administration and commune management, in implementing the production responsibility system, and in promoting circulation and dredging circulation channels so that commodities can flow freely. In the reform in cities, it is necessary to handle well the relations between the state and the enterprises and between the enterprises and staff and workers and to change the phenomena of both staff and workers eating from the same big pot of the enterprise and the enterprises eating from the same big pot of the state, so that those who do more work can really get more, those who do less work get less, while those who do not work get nothing.

Duojiecaidan said that we must handle well the relations between the whole and the part, between long-term interests and immediate interests, between demands and possibilities, and between key and ordinary projects, and make scientific and rational arrangements for production in our region in terms of targets, structure, proportion, and speed.

Duojiecaidan continued that in the economic construction it is necessary to advocate and encourage competition and to oppose monopoly. Only through competition can the economy be vigorously developed, can labor productivity be raised, and can technical innovation and transformation be promoted. In order to attain the goal of macroscopically enlivening the economy by flexible means, it is necessary to give full play to various economic levers, such as prices, taxes, wages, bonuses, and competition, so that economic relations in various fields can be balanced.

In conclusion, Duojiecaidan said that at present, as economic construction in Xizang has entered an important period of change, we must acquire a correct guiding ideology for our economic development and work out suitable policies and principles in light of the realities of our region, rather than based on books and instructions from higher authorities, so as to promote the economic construction in our region and enable the people to become better-off as soon as possible.

YUNNAN CONFERENCE DISCUSSES FAMILY PLANNING WORK

HK210824 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 19 Oct 84

[Text] The provincial work conference on family planning came to a close yesterday. The conference proposed: This winter and next spring, the main tasks of our province in family planning are to further propagate and implement the relevant documents of the central authorities as well as the instructions of the provincial CPC Committee concerning family planning work.

We must also make active efforts to carry out various measures on birth control and control of above-quota births, so as to act in the spirit of reform and creation and to open up a new situation in the family planning work of our province.

The conference opened on 12 October in Kunming. The responsible comrades of family planning commissions from various prefectures, cities, counties; departments and bureaus directly under the provincial authorities; and comrades from PLA units stationed here who are responsible for family planning work, totaling more than 180 persons, took part in the conference.

During the conference the representatives seriously summed up and exchanged experiences in implementing the relevant documents of the central authorities and put forward the main tasks on family planning work for our province in the future so that the existing problems can be solved.

The conference unanimously held that in order to realize the target of quadrupling the economy of our province and limiting the population to within 40 million people by the year 2000, the party and government leadership at various levels must follow the requirements of the central authorities on grasping the economy and the control of population at the same time, so that the growth of population and the development of the economy can progress harmoniously.

During the conference, Comrade (Gao Ziguo), on behalf of the provincial CPC Committee, attended the conference and spoke.

TIANJIN MEETING HAILS PLENUM, ECONOMIC REFORMS

SK230611 Tianjin City Service in Mandarin 1430 GMT 22 Oct 84

[Excerpts] The Tianjin municipal theoretical discussion meeting on opening to the outside world was held at Tianjin Guesthouse today. Tan Shaowen, secretary of the municipal CPC Committee; Yang Jingheng; and Xiao Yuan, Standing Committee members of the municipal CPC Committee; and Yao Jun, municipal vice mayor, attended today's meeting.

Chen Weida, first secretary of the municipal CPC Committee, attached great importance to the meeting and listened to reports while preparing for its convocation. The meeting was convened to study and explore a strategy for developing Tianjin's economy in line with the open-door policy of the CPC Central Committee and the actual situation in the municipality in order to give full play to the port city of Tianjin.

Tan Shaowen, secretary of the municipal CPC Committee, gave an opening address. He extended warm welcome and heartfelt thanks to all comrades who were invited to the discussion meeting on behalf of the municipal CPC Committee, the municipal government, and the people in Tianjin. Tan Shaowen said: This theoretical discussion meeting is held right after the successful conclusion of the 3d Plenary Session of the 12th CPC Central Committee. The 3d Plenary Session of the 12th CPC Central Committee was a very important meeting. Like the 3d Plenary Session of the 11th CPC Central Committee, its importance will show in the future history. The decision of the CPC Central Committee on reforming the economic system which was adopted at the above session is a document of historical importance, an important policy decision for realizing the grand objective put forward by the 12th CPC Congress and fulfilling the three major tasks of the 1980's and 1990's, and a programmatic document for guiding us to build socialism with Chinese characteristics. It will give great impetus to the development of China's economy. This theoretical discussion meeting should study and implement the guidelines of the plenary session and closely integrate the implementation of the open-door policy with the reform of the urban economic system so as to broaden our field of vision and to provide countermeasures of theoretical value and practical significance for Tianjin Municipality's opening to the outside world and urban reform.

Tan Shaowen said: Over the past few years, we have conducted investigations and studies on Tianjin's economic development strategy in the new situation, and have mapped out some tentative plans. However, these plans were not well-considered. We still need to draw on collective wisdom and to further explore and study ways to develop Tianjin's economy. During this meeting, we will provide data from the relevant departments for the participants, and hope that all experts and scholars to the meeting will conscientiously study the issue of opening Tianjin to the outside world. We also hope that comrades of the various relevant central research departments will give guidance and help to Tianjin's work and that comrades of various fraternal provinces, cities, and autonomous regions will pass on their valuable experiences and come forward with constructive suggestions. The discussion meeting will achieve fruitful results with the concerted efforts of all comrades present here.

At today's meeting, responsible comrades of the municipal Planning Commission gave an account of Tianjin's economic development tentative plans. Tomorrow, responsible comrades of the municipal Economic Commission and the municipal countermeasure leading group will introduce to the participants Tianjin's situation in technical transformation and in mapping out countermeasures for greeting the new technological revolution. This discussion meeting will last for 5 days.

JILIN ISSUES CIRCULAR ON STUDYING PLENUM DOCUMENT

SK230223 Changchun Jilin Provincial Service in Mandarin 2200 GMT 22 Oct 84

[Excerpts] On 22 October, the Jilin Provincial CPC Committee issued a circular on earnestly studying and implementing the documents of the 3d Plenary Session of the 12th CPC Central Committee.

The circular states: The decision adopted at the 3d Plenary Session of the 12th CPC Central Committee and provided by the CPC Central Committee for conducting reforms in economic systems is a programmatic document of China and an important document of historical significance. It has set forth an outline and blueprint for our country to conduct reforms in economic systems and has clearly defined the direction of building the socialist economy that reflects Chinese characteristics, having very practical or immediate significance in guiding the work of the entire party and certainly causing strong repercussions at home and abroad.

In order to earnestly study and implement the decision of the CPC Central Committee on conducting reforms in economic systems, the relevant circular issued by the provincial CPC Committee puts forward the following tasks:

1. Efforts should be made to earnestly study and publicize the spirit of the documents. By integrating theory with practice, the decision expounds the necessity and urgency of conducting reforms and has defined the direction, character, and tasks in this regard. All of this will certainly and further unify the thinking of the entire party and will guide the deepening of the drive of conducting reforms.
2. In line with the documents' spirit, efforts should be made to examine or sum up the work done in conducting reforms.
3. To implement the spirit of the documents in a timely manner, efforts should be made to emancipate minds, to proceed from reality, to seek truth from facts, and to uphold the principle of applying theory to reality.
4. The provincial CPC Committee will hold a meeting on a proper occasion on specially and deeply studying and implementing the decision's spirit and will map out plans for conducting reforms in economic systems.
5. Various localities and units should submit their reports to the provincial CPC Committee on their situation prevailing in studying and implementing the decision.

LIAONING FORUM FOCUSES ON 3D PLENUM DECISIONS

SK220323 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 21 Oct 84

[Excerpts] On the morning of 21 October, the provincial CPC Committee and the provincial People's Government held a forum with 50 representatives from the departments concerned under the provincial level organs, mass organizations, the higher educational institutions, the journalist units, and from the advanced enterprises of Shenyang City that have taken up the pilot work of conducting reforms. They were full of zest in studying and discussing the documents of the 3d Plenary Session of the 12th CPC Central Committee.

Shen Xianhui, Standing Committee member of the provincial CPC Committee and director of the provincial Propaganda Department, presided over the forum. Zuo Kun and Peng Xiangsong, vice governors of the province, attended the forum.

At the forum, participating comrades voiced their opinions enthusiastically, spoke glowingly of their understanding, showed wholehearted support to the communique and decision of the 3d Plenary Session of the 12th CPC Central Committee, and highly appraised the decision adopted by the CPC Central Committee on conducting reforms in economic systems by bearing in mind the actual situation in the province.

Vice Governor Peng Xiangson stated: The decision is the result of combining Marxist-Leninism-Mao Zedong Thought with the concrete practice of China's economic construction and is also the summing up of experience gained in period since the founding of the PRC and particularly since the 3d Plenary Session of the 11th CPC Central Committee. It is very correct and a principle guiding our future work.

In concluding the forum, Comrade Shen Xianhui delivered a speech in which he stated: The decision adopted at the 3d Plenary Session of the 12th CPC Central Committee on conducting reforms in economic systems is the programmatic document guiding our transformation. We should stand at the forefront of the transformation trend in this period. He urged provincial level organs to take the lead in conducting reforms and put forward the following tasks for them:

1. Efforts should be made to spend a certain amount of time next week in earnestly studying the decision adopted by the CPC Central Committee;
2. Efforts should be made to combine the study activity with the task of making corrections in the party rectification drive so as to further straighten out the guiding ideology of professional work. We should enable the study activity to serve economic construction and the drive of conducting reforms so as to overcome the malpractices of bureaucracy and of seeking personal gain by taking advantage of power, and to do well from start to finish the task of making corrections in party rectification;
3. On the basis of earnestly studying the decision, efforts should be made to work out concrete measures and plans for implementing the decision adopted by the CPC Central Committee in a creative manner; and
4. It is necessary for the propaganda and theoretical departments to do a good job in conducting propaganda and press work so as to strengthen ideological education among cadres and the masses on the drive of conducting reforms and to make the necessity of conducting reforms in economic systems take hold in the hearts of the people.

LIAONING ARMY, CIVILIANS SUPPORT ECONOMIC REFORMS

SK210423 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 20 Oct 84

[Excerpts] On the afternoon of 20 October, army men and civilians in the province happily listened to the communique of the 3d Plenary Session of the 12th CPC Central Committee, the CPC Central Committee's decision on the reform of the economic system, and the decision on the convocation of the national conference of party delegates. The successful convocation of the 3d Plenary Session of the 12th CPC Central Committee and the pertinent documents of the session have affected the hearts of army men and civilians across the province. The party, government, Army, people, and scholars all over the province were filled with happiness and vitality. Many listeners have expressed their support and pledged to conscientiously study the CPC Central Committee's decision on the reform of economic system, work hard to win an all-round victory in reform, and struggle for creating a new situation in all fields of the socialist modernization drive.

Comrade Shen Xianhui, Standing Committee member of the provincial CPC Committee, said to the reporter: Like the 3d Plenary Session of the 11th CPC Central Committee, the 3d Plenary Session of the 12th CPC Central Committee has profound historic significance.

We should conscientiously study the documents of this session and further conduct theoretical studies. The CPC Central Committee's decision to reform the economic system has drawn successful foreign and domestic experiences and has summed up the results of economic system reform over the past few years. After hearing this decision, my confidence has been strengthened. I believed that we will certainly achieve success in reform and attain the general goal set forth by the 12th CPC Congress.

(Qi Pingzhen), deputy director of the Organization Department of the provincial CPC Committee, said: The 10-point decision of the CPC Central Committee to reform the economic system has inspired the people and conforms to the situations in our country and our province. To meet the demands of economic reform, we comrades of the organizational departments must select and promote a great number of cadres who are well educated, young, and proficient in management to leading posts and staff leading bodies at all levels well so as to ensure a successful completion of the reform of the economic system.

Hu Yimin, vice chairman of the provincial Advisory Commission and first secretary of the Dalian City CPC Committee, said at a forum: The CPC's decision to reform the economic system has further elucidated the open policy, given play to the role of the urban network economy, charted the course for the opening and economic development of the Dalian City, and set forth new demands on us. We will never let the CPC Central Committee down, and will accelerate the reform and the pace of opening so as to take the lead in urban reform.

GANSU HOLDS MEETING ON PARTY RECTIFICATION TASKS

HK220857 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 20 Oct 84

[Text] The Office for Guiding Party Rectification under the provincial CPC Committee held a meeting of all personnel engaged in party rectification work this morning. They were called on to seek unity of thinking and to be clear about their tasks with a view to accomplishing party rectification work on a full scale.

Speaking at the meeting this morning were Liu Bing, Wang Zhanchang, Guo Hongchao, Wang Yaohua, (Peng Xu), and other responsible persons of the group for guiding party rectification under the provincial CPC Committee; as well as (Zhang Jinzhao) and (Zeng Ping) who are in charge of liaison work with the Central Commission for Guiding Party Rectification.

Responsible comrades of the Office for Guiding Party Rectification under the provincial CPC Committee gave an account of the basic situation in the province's party rectification work in the preceding stage and set demands on the work to be done in the remaining 2 1/2 months of this year.

The meeting stressed: Efforts should now be concentrated on doing well in the work of rectification and correction. In this connection, we should not only solve the problem of uneven development in the work of rectification and correction, but we should vigorously carry out education in thoroughly negating the Cultural Revolution throughout the course of party rectification. Meanwhile, we should also grasp well the work in the stage of registering party members and taking disciplinary measures, give concrete guidance to the second group of the units where party rectification is being carried out, and help the relevant departments to restructure leading bodies of the first group of the units where party rectification is still in progress. Furthermore, efforts must be made to make a good job of checking the facts of some cases.

The meeting also pointed out: While the first phase of party rectification work is developing in depth, the second phase of the work is also spreading out in many units one after another. Thus, work volume is very high as the two phases of party rectification take place concurrently. Therefore, all departments should give guidance in line with specific conditions and make every effort to accomplish all tasks set for party rectification. Currently, special attention must be paid to guarding against impetuosity and weariness. We must strengthen confidence and be bold to confront the tough with toughness so as to push party rectification work forward.

SHAANXI REFORMIST REPORTS ON ECONOMIC POLICY

HK190853 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 16 Oct 84

[Text] Yesterday afternoon, Bu Xingsheng, manager of Haiyan General Shirt Factory who is bold in carrying out reform, made a report at the auditorium of the Xian People's Hall on reform of the economic system. His report was well received by more than 1,800 people, including factory managers, cadres, staffs and workers.

Over the past 5 years or so, the Haiyan General Shirt Factory has tried some new methods in enterprise reform by relying on the party's policy, on talented people, and on business management. The previously poor and small collective-run factory has now become an advanced garment-manufacturing enterprise.

At the report meeting, Bu Xingsheng gave a complete introduction to the reform carried out by the Haiyan General Shirt Factory and its experience. He also aired his views on the current reform.

He held that reform is imperative and that without carrying out reform, people cannot advance. Most people desire to carry out reform and are enthusiastic in carrying out reform. But reform is by no means smooth sailing. By making a deep analysis of this, Bu Xingsheng said: [Begin recording] "Some people are in favor of reform, but they are timid. I believe that provided we carry out reform in accordance with the spirit of the CPC Central Committee, it is impossible for us to [words indistinct]. If we view the units which have achieved practical effect in reform, we will find that no unit [words indistinct]. In the final analysis, those comrades who fear reform have no courage to take up responsibilities and are afraid of losing their official positions. Some other factory managers are peacemakers and have nothing to do all day long. [passage indistinct] Still some other factory managers always set strict demands on workers but fail to firmly grasp production, [words indistinct]. Therefore, the workers in these factories say: 'Lift restrictions, lift restrictions. The leaders are now free, but we workers are restricted.' While carrying out the contract system, some other factory managers do not think about the interests of the state and collectives, but only their personal interests. Reform, contract system, [words indistinct], the result of all these things is that workers are suffering and receive no benefit. Such reforms are not successful ones. Our reform must [words indistinct], must help make our country prosperous and thriving and the people rich. [end recording]

SHAANXI MEETS TO PROMOTE RURAL DIVERSIFICATION

HK190927 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 17 Oct 84

[Text] From 11 to 16 October the provincial government held its first work conference on putting an end to the backwardness of the counties subsidized by the government. During the meeting representatives held discussions on the matter. They worked out plans and relevant policies to that effect.

At the meeting Vice Governor Zhang Bin pointed out: The province's counties which are subsidized by the government should vigorously promote diversification in the rural areas by stressing the development of industries run by counties and enterprises run by townships and towns, while making every effort to improve the channels of circulation. As the rural and urban economy is revitalized and better economic results are achieved, we should successively put an end to the backwardness of the counties which are subsidized by the government. Of 72 counties which are subsidized by the provincial government, we should put an end to the backwardness of 47 such counties from 1984 to 1990. Zhang Bin stressed: If any of the counties are able to put an end to their backwardness ahead of schedule, they will still be subsidized by the government as before. If these counties are able to put an end to their backwardness as scheduled, they will be allowed to retain all their increased income in the following 3 years.

In his speech, Zhang Bin also noted: The amount of subsidies allocated by the government to counties, prefectures, and cities should be reduced from year to year in the future and the contract responsibility system should be adopted to fulfill all relevant economic targets. A sum of 50,000 to 70,000 yuan premium will be allocated from the provincial revenue to the counties which put an end to their backwardness as scheduled, the money can be used as rewards for workers and staff members such as bonuses and wages fund for promotions, and magistrates of these counties will be cited for meritorious service and given certificates of honor. And the provincial financial department will allocate 30,000 to 50,000 yuan to all the counties which put an end to their backwardness as scheduled. Counties which fail to put an end to their backwardness as scheduled should be responsible for economic losses and should be criticized. The work of giving support to 33 counties by organs directly under the province should be resolutely carried out to the end and should produce a good effect.

ECONOMIC THEORY FORUM CONCLUDES IN XINJIANG

HK230627 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 21 Oct 84

[Text] The 7-day forum of five provinces and regions in northwest China on economic theory concluded yesterday afternoon in Urumqi. Some 140 scholars and experts dealing with theoretical and practical economic work from Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang attended the forum. Regarding the characteristics of northwest China, that is, having a sparse population in a vast, dry territory but possessing abundant natural resources, they have, using various methods, conducted an in-depth feasibility study on achieving the strategic goal of quadrupling or increasing by six times the gross annual industrial and agricultural output value of each province and region by the year 2000. Many scholars and experts suggested, in the course of discussion, ways and means for developing the region and northwest China. The forum received a total of some 50 relevant theses.

Qi Guo, secretary of the regional CPC Committee, and others attended the meeting to express congratulations. (Gang Xixie), Standing Committee member of the regional CPC Committee and head of the regional Economic Department; and (Liu Qizi), deputy secretary general of the regional government and secretary general of the regional Economic Research Institute, respectively, delivered speeches on developing the region and northwest China.

Professor Liang Tianbai, an economist who attended by invitation, made an academic report on the theory of economic structural reform and the question of developing northwest China.

FOREIGN MINISTER REJECTS TALKS WITH PRC

OW221601 Taipei CNA in English 1506 GMT 22 Oct 84

[Text] Taipei, Oct. 22 (CNA) -- Foreign Minister Chu Fu-sung said Monday that communism cannot coexist with democracy and the Republic of China has never accepted any "talks" with the Chinese Communists.

Speaking to the Overseas Chinese Affairs Committee of the Legislative Yuan, Chu said that the Chinese Communists have recently launched new united front tactics against the Republic of China in view of this nation's rapid economic progress and renewed awareness of the strategic importance of Taiwan in the international community. Chu stated that the Chinese Communists have attempted to create an illusion in the international community that the Chinese people of the both sides of Taiwan Straits can sit and talk. Especially with the development of the Hong Kong issue and the employment of the Olympic formula at the Los Angeles games, the Chinese Communists have actively resorted to new united front plots in an effort to downgrade the status of the Government of the Republic of China to that of a local government.

The so-called "one country, two systems" and "Hong Kong model," Chu stated, are all Chinese Communist tricks on the people of the free world. The sharp contrast between the numbers of Overseas Chinese attending the Chinese Communist "National Day" Oct. 1 in Peiping and the ROC's National Day Oct. 10 in Taipei shows that the majority of the Overseas Chinese support this government. The government's policy of no talks, no contacts, and no compromise with the Chinese Communists will never change, Chu asserted.

YU KUO-HWA ON POLICY FOR REUNIFYING CHINA

OW200417 Taipei CNA in English 0328 GMT 20 Oct 84

[Text] Taipei, Oct. 19 (CNA) -- Premier Yu Kuo-hwa said Friday that the Republic of China's bid to unify China under the three principles of the people is not an empty slogan.

He said by implementing the three principles of the nationalism, democracy and the livelihood of the people, the Republic of China has created a free, democratic and prosperous society whose existence has aroused the mainland Chinese to view communism with ever greater disgust and prompted their endless series of escapes to freedom. Furthermore, the Republic of China's firm stance of anticommunism has won international recognition and support and has made itself a beacon of hope for all Chinese people on the mainland as well as the symbol of Chinese identity for the 26 million Overseas Chinese, Premier Yu added.

He made the remarks while answering an interpellation from Legislator Fei Hsi-ping at a Legislative Yuan meeting Friday, the last day of questions and answering between lawmakers and government officials for the current session of the nation's highest lawmaking body. Yu said he was dismayed by Fei's remarks that the nation's "national recovery" policy has lost its "effectiveness" and that "unifying China under the three principles" is an empty slogan. He stated that the freedom, democracy and prosperity here are in stark contrast with the totalitarianism, enslavement and poverty on the mainland. "This is an irrefutable fact," he noted.

"Our mainland compatriots also long to live a free, democratic and prosperous life, as can be seen from their abhorrence of communism and their many flights to freedom," said Yu. "Their identification with values that we here in the ROC both hold and carry out proves that our policy of implementing the three principles throughout the whole of China is not empty talk. Rather, it is the herald of a powerful force to reach that goal," the premier pointed out.

CHIANG URGES UNITY TO 'CRUSH' COMMUNISTS

OW201831 Taipei CNA in English 1512 GMT 20 Oct 84

[Text] Taipei, Oct. 20 (CNA) -- President Chiang Ching-kuo pointed out Saturday that the reunification of China under the Three Principles of the People is the common aspiration of all Chinese people. The goal is also the only way for China to seek a brighter future, President Chiang stressed. He called on all peace-loving Chinese compatriots at home and overseas to work hard, hand-in-hand, and march together toward the road of China reunification under the Three Principles of the People.

President Chiang made the remarks in his congratulatory message marking the 32nd Overseas Chinese Day which falls on Oct. 21. More Overseas Chinese compatriots came to Taipei to join the October festivities this year than ever before. Their patriotism and firm support of the government of their motherland signify their noble mind and revolutionary spirit, the president said, adding such morality is admirable.

Through the implementation of the Three Principles of the People, the government has done remarkable things in developing this national bastion on Taiwan over the past several decades, the president said. On the contrary, compatriots on the Chinese mainland are still suffering poverty and backwardness under the "four insistence" and the empty "four modernizations" policy of the Peiping regime. They earnestly desire for freedom and democracy, he said.

Currently, the Chinese Communists are intensifying their united front tactics against Overseas Chinese and the free world in order to slow their own collapse, the president pointed out. He said he believes that Chinese compatriots abroad have all heightened their vigilance and intensified their fighting spirit so as to crush the trick of the communists.

TAIWAN 'ACTIVELY' STRENGTHENING COMBAT CAPABILITY

OW221525 Taipei CNA in English 1449 GMT 22 Oct 84

[Text] Taipei, Oct 22 (CNA) -- The Executive Yuan said Monday that as the Chinese Communist regime has never given up its attempts to invade Taiwan by force, the Ministry of National Defense is now actively strengthening the combat capabilities and readiness of the nation's Armed Forces to ensure the safety of the bastion of national recovery.

The Executive Yuan made the above remark in a written reply to the interpellation raised by Legislator Hsu Jung-shu concerning the nation's defense budget.

The Executive Yuan said while the Chinese Communist regime is calling for "identification with the motherland" and "joint leadership," its forces are also stepping up amphibious training in an attempt to invade Taiwan. This indicates the regime has never given up its attempts to invade Taiwan by force, the Executive Yuan noted.

As for the nation's defense budget, the Executive Yuan said the Ministry of National Defense's annual budget is compiled according to the priorities after careful deliberation. The procedure in compiling the budget is similar to that of other government agencies, it added.

EDITORIAL VIEWS POTENTIAL OF PRC ECONOMIC REFORM

HK210811 Hong Kong WEN WEI PO in Chinese 21 Oct 84 p 2

[Editorial: "Economic Reform Is To Be Carried Out Comprehensively"]

[Text] The 3d Plenary Session of the 12th CPC Central Committee and the resolution adopted by the session will accelerate China's process of reform throughout its economic system, focusing on the urban area. The resolution, which indicates the basic trend of China's social development in the near future, is a grand milestone in China's long historical evolution.

Agricultural reform in the past 5 years has opened up a new path for the economic development of China. The widely acknowledged marvelous achievements scored by this reform have inspired the Chinese people to boldly begin further reform. The success of the agricultural reform has provided experience for reference in the urban reform and has placed before us the urgent task of stepping up the reform in the economic system as a whole. The readjustment of the national economy in the past 5 years, which has basically redressed the balance between the major sectors of the national economy, has prepared the basis for a comprehensive economic reform and has highlighted the urgent need for reform. The latest economic development in China has now put at the top of the agenda the reform in the economic system as a whole, centering around the urban areas. Whether China can continue its process of steady economic development will depend on the urban reform.

The dismantling of bureaucratic capital in the initial period after the founding of the PRC, the transformation of national capital carried out later, and then the long-term and large-scale economic construction have shaped the system of ownership by the whole people which dominates almost all the sectors of the urban economy. Under this system, the state has directly controlled and operated various types of enterprises. While creating unprecedentedly enormous social wealth, the system has left serious economic problems. Due to overly rigid controls, the economic system has become clumsy and has failed to give full play to enterprise and staff initiative. Therefore, readjusting the state-enterprise-staff relationship in these giant state-run enterprises is the key to urban reform.

The problem does not lie in the system of ownership by the whole people itself, but in the highly centralized control over enterprises by the state and in the management system featuring the combination of government administration and enterprise operation. Therefore, the reform of state-owned enterprises should mainly be in the administrative system characterized by the separation of ownership from management. In other words, the state should maintain ownership of the enterprises while enterprises retain the power of management.

This reform will give rise to a separation of government administration from enterprise management. The enterprise can keep the initiative in daily operations while the state acts as the owner of the enterprise by levying taxes on the enterprise.

The system of the enterprise keeping the initiative in management calls for a restructuring of the state planning system with the aim of minimizing interference in enterprise management.

In taking the initiative in management, the enterprise must take full responsibility for all profits and losses. This in turn calls for reasonable pricing of raw materials and products. This means that a reform in the pricing system is necessary. The process whereby the governments at all levels give up their direct control of enterprise operations will expedite reform in the superstructure and will facilitate streamlining government administration.

The key to enhancing the management efficiency of the enterprise rests in the establishment of a leading body which is familiar with the enterprise operations and adept at giving full play to the initiative of the staff. To fulfill this goal, it is necessary to readjust various relations within the enterprise and set up a scientific and complete enterprise management system.

This will be a comprehensive and thorough economic reform which will affect some sectors of the superstructure. In this reform, many new economic components and a diversified economy will emerge, which will give fuller play to the role of the commodity economy and market mechanism, gradually shape a socialist economic model with Chinese characteristics, and speed up socialist economic development so that the Chinese people's ever-growing material and cultural demands will be constantly met.

Carrying out an arduous struggle for 28 years, the CPC led the Chinese people to win political power. Engaging in economic construction for the past 30 years or more, the CPC has eventually found a path for national construction that suits the national conditions of China. It can be anticipated that the forthcoming urban reform will achieve great success and China will witness a more prosperous economy. Above all, reform will contribute to the development of productive forces, the enhancement of the people's living standard, and speeding up the four modernizations.

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